

DAILY REPORT

China

Vol I No 163

22 August 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Delegate Addresses Disarmament Conference	A 1
RENMIN RIBAO on Ixtapa Disarmament Proposal [13 Aug]	A 2

SOVIET UNION

HSIN WAN PAO on Sino-Soviet Border Clash Report [22 Aug]	C 1
Soviet Source Confirms Incident [AFP]	C 2
XINHUA Reports on Soviet Nuclear Press Conference	C 3
Beijing Mayor Chen Xitong Tours Moscow	C 4
Soviet Soldier Interviewed on Afghanistan Realities	C 4
'Informed Source' Says Kapitsa Will Visit Japan	C 5
Wang Renzhong Receives Soviet Planning Delegation	C 6
Soviet Ensemble Arrives in PRC 21 Aug	C 6

NORTHEAST ASIA

CYL Secretary on Delegation's Visit to DPRK	D 1
Gao Di Heads Jilin Delegation to DPRK	D 2
Wu Xueqian Meets Visitors From Japan 21 Aug	D 2

SOUTH ASIA

Wu Xueqian Meets Pakistani Foreign Secretary	F 1
Wan Li, Pakistani Meet	F 1
XINHUA Answers Questions on Sino-Indian Border	F 1

WESTERN EUROPE

'Encouraging' Trade Increase With EEC Seen [CHINA DAILY 22 Aug]	G 1
CHINA DAILY To Be Received Same Day in Europe	G 2
FRG Economic Minister's PRC Tour Previewed	G 3
Huang Hua Meets Cypriot Information Delegation	G 3
Chen Fawen Meets, Fetes PCI Secretary	G 3
SHIJIE ZHISHI on 'Eureka' Program Development [1 Aug]	G 4

EASTERN EUROPE

Song Ping, Hungary's Council Vice Chairman Meet	H 1
Hungarian Delegation Arrives in Fujian for Visit [FUJIAN RIBAO 13 Aug]	H 1

PRC NATIONAL AFFAIRS

Deng Xiaoping Inspects Tianjin Economic Zone	K 1
State Council Approves Tianjin Overall Plan	K 2
Tianjin Helps Joint Ventures Solve Problems	K 4
Trends in Transfer of Production Ownership	K 4
[RENMIN RIBAO 18 Aug]	
Official on Economic Structural Reform	K 6
[LIAOWANG OVERSEAS EDITION 11 Aug]	
Promotion of Profits for Foreign Investors Urged	K 10
Localities Urged To Stop Building Outside Plan	K 10
Economic Development in Poor Areas Progresses	K 11
Nationwide Power Grid Planned by Early 1990's	K 12
Amnesty Period Ends; Lawbreakers Surrender	K 13
JINGJI RIBAO Reassures Foreign Investors [13 Aug]	K 13
Official on Freedom of Religious Belief	K 14
Zhao Yang 'Humanitarianism' Article Reassessed	K 15
Propaganda Department on Authority, Press	K 16
Wan Li's Speech at Minority Sports Games	K 17
Wan Li Participates in Minority Sports Gala	K 17
Wan Li Meets Athletes to Seoul Asian Games	K 18
State Council Congratulates Daqing Complex	K 18
[RENMIN RIBAO 5 Aug]	
Qiao Shi Inspects Flood in Heilongjiang	K 19
Earthquake Hits 'Sparsely Populated' Area	K 19
PLA To Reform Titles for Technical Personnel	K 20
[RENMIN RIBAO 18 Aug]	
LIAOWANG Commentator Attacks Bureaucratism [4 Aug]	K 22
Ruan Chongwu Speaks at Social Security Meeting	K 23
Hong Kong Loans for Mainland Investment Increase	K 24
Central Bank Official Speaks on Monetary Reform	K 24
Economic Coordination Networks Established	K 25
Service Enterprises Reassume Important Role	K 26
New Training Program for Enterprise Leaders	K 27
Fast Growth of Individual Economy in Past Decade	K 27
Wan Li Urges Developing Xinjiang's Economy	K 28
Painter Li Shuang Returns to Beijing for Visit	K 29

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Leaders Pay Visits to Coastal Areas	O 1
Jiangxi Meeting Stresses Reform of Labor System	O 1
Shanghai Enterprise Reforms Improve Management	O 2
Wang Fang at Meeting on Zhejiang Mountain Economy	O 3

CENTRAL-SOUTH REGION

Guangdong Issues Notice on Foreign Office Hiring	P 1
Guangdong's Foreign Enterprises Granted Loans	P 1
Former Shantou Public Security Head Imprisoned	P 2
Guangxi Meeting Reviews Personnel Work Issues	P 3

SOUTHWEST REGION

Population Control Succeeding in Sichuan	Q 1
Chongqing Paper Reviews Industrial Problem [CHONGQING RIBAO 9 Aug]	Q 1
Xizang Leaders Hold Forum With State Energy Group	Q 3

NORTHEAST REGION

Sun Weiben at Heilongjiang Cooperation Meeting	S 1
Gao Di Speaks on Jilin Party Rectification	S 1
Article on Prospects for Nei Monggol Energy Base [DONGBEI JINGJI BAO 12 Aug]	S 2

NORTHWEST REGION

Shaanxi Leaders Support Plant Manager System	T 1
--	-----

PRC DELEGATE ADDRESSES DISARMAMENT CONFERENCE

OW220646 Beijing XINHUA in English 0621 GMT 22 Aug 86

[Text] Geneva, August 21 (XINHUA) -- Ambassador Fan Guoxiang, head of China's delegation to the 40-nation Geneva Conference on Disarmament (CD), told the conference today it has made some progress but has so far fallen far short of expectations.

For years, Fan said, "people throughout the world have been ardently hoping that the CD could carry out substantive negotiations on a nuclear test ban, nuclear disarmament and prevention of nuclear war, and produce practical and effective results. It is therefore disappointing that year after year the CD has remained in a state of inertia."

The 1986 session opened in Geneva June 10.

On the prevention of an arms race in outer space, Fan pointed out in his address that existing international legal instruments are of some significance but all have limitations and are thus inadequate for preventing the arms race from moving into space. "It is therefore necessary to conclude new international legal instruments," he added.

On chemical weapons, the Chinese ambassador said "We should not overlook the fact that a large amount of work still needs to be done in negotiating a convention on the prohibition of chemical weapons, in view of the differences on" ways of verifying that countries are complying with a ban."

"We welcome the willingness expressed by the two states with the largest weapons and hope that they will substantiate their intention with action," he added.

Fan, turning to the relationship between nuclear and non-nuclear-weapon states is the complete prohibition and thorough destruction of nuclear weapons. In order to reduce the nuclear threat to non-nuclear-weapon states, all nuclear weapon states should, pending nuclear disarmament, undertake not to use or threaten to use nuclear weapons against non-nuclear-weapon states and nuclear free zones.

"China has declared on many occasions that it unconditionally assumes this obligation. We are also in favour of concluding an international convention on protecting non-nuclear-weapon states against the use and threat of use of nuclear weapons," he said.

The Chinese ambassador also expressed his support for "the Mexican Statement" issued recently by the leaders of Mexico, Argentina, Greece, Sweden, India and Tanzania calling on the United States and the Soviet Union to halt arms race.

He said the end of the arms race and maintenance of world peace are the common aspiration and strong demand of the people throughout the world and of all peace-advocating countries. Settling differences and disputes through dialogue has become the trend in the contemporary world, a development welcomed by the international community.

Ambassador Fan said China sincerely hopes that at such an important juncture the disarmament conference will score real achievements, instead of simply going through the motions.

The Geneva Conference on Disarmament is expected to conclude on August 29.

RENMIN RIBAO ON IXTAPA DISARMAMENT PROPOSAL

HK210901 Beijing RENMIN RIBAO in Chinese 13 Aug 86 p 6

["Jottings" by Liu Ban: "The Voice of Ixtapa"]

[Text] Last week, a group of six countries held a summit meeting in Ixtapa, a tourist resort in Mexico. The meeting and its "Mexico Statement" seemed to be just another page in the annals of countless international meetings and documents, but people still noticed that an extraordinary voice had come from Ixtapa.

The meeting solemnly raised the demand that all non-nuclear countries have the right to participate in the discussions on nuclear disarmament, and pointed out that "the international community must not accept the big powers' domination of the world's destiny." The meeting also pointed out that "mankind is now facing increasingly serious nuclear threats" and that the United States and the Soviet Union, as major nuclear powers, bear special duties and responsibilities for nuclear disarmament. The meeting called on all peoples, parliaments, and governments to support the peace efforts of these six countries and to urge the United States and the Soviet Union to first stop all nuclear tests.

The meeting announced a plan to establish a global monitoring system to force the United States and the Soviet Union to stop nuclear tests. The meeting proposed that three to eight monitoring stations be set up in the nuclear test area in the United States and the Soviet Union and demanded that the United States and the Soviet Union open 20 to 30 earthquake monitoring stations to the international community so as to sound out their reactions. The meeting also declared that if the United States and the Soviet Union refuse to do so, these countries themselves will do so on their own.

Commentators hold that although the six countries would have difficulty carrying out the monitoring task by themselves, their proposal "will get sufficient support" and "the advanced scientific and engineering capacity of more than 10 countries will be able to operate this monitoring system, because there are signs that some countries are willing to participate in this plan." Other commentators said when pointing out the significance of this move of the six-country group: This will be a "third eye" to monitor the nuclear arms race.

Two years ago, when the group was founded by Mexico, Argentina, Greece, Sweden, India, and Tanzania, it published a "Peace Initiative of the Five Continents." Then, it continued to make unremitting efforts for nuclear disarmament and the peace cause. At the recent meeting, President de la Madrid said: "We only hope to act as spokesmen for all mankind so as to proclaim loudly: Prevent ruin, prevent wars, ensure the existence of the human race which has miraculous and tremendous creativity." Of course the proposal for the "third eye" may encounter difficulties and obstacles when it is put into practice, but the voice of Ixtapa indeed represents the common desire of the people on five continents.

HSIN WAN PAO ON SINO-SOVIET BORDER CLASH REPORT

HK220950 Hong Kong HSIN WAN PAO in Chinese 22 Aug 86 p 1

["News Talk" column: "Rumor About the Sino-Soviet Border Clash"]

[Text] The Japanese newspaper YOMIURI SHIMBUN this morning carried a report by its Beijing correspondent saying that skirmishes broke out between Chinese and Soviet border guards in Ili Kazak Autonomous Prefecture, Xinjiang Uygur Autonomous Region on 12 July.

YOIMURI SHIMBUN did not clearly specify the source of the report. A dispatch said that it was revealed by Eastern European diplomats in Beijing; another said it was disclosed by Chinese sources.

So far both Beijing and Moscow have not made any official comment of the report. The credibility of this report has yet to be confirmed.

The report says that a total of 13 Soviet border guards in disguise intruded into the Chinese territory on that day to make a raid, leaving one dead and one injured on the part of their Chinese counterparts, and capturing tow Chinese herdsmen and four horses.

The report also mentions three points: First, the Soviet Foreign Ministry on 14 July lodged a protest against the Chinese border guards' intrusion into Soviet territory. Second, the clash has created "high tension" between China and the Soviet Union. And third, it is because of this event that Arkhipov, first deputy chairman of the USSR Council of Ministers (or first vice premier), who arrived in Beijing last month, still remains in Beijing to make representations.

It is a fact that the Ili area of the Sino-Soviet border has repeatedly witnessed military skirmishes, among which the most serious was that bursting out between April and May 1962. Many clashes of smaller scale happened later. But no more skirmished have taken place in recent years.

For the moment nobody can tell whether the YOMIURI SHIMBUN report is true. But the point mentioned by the report that the clash has created "high tension" between China and the Soviet Union does not seem to be in keeping with the latest development of the relations between the two countries.

In mid July, the Soviet Union expressed a desire to link Chinese and Soviet railways in Xinjiang. In late July, Gorbachev went to Vladivostok to deliver a speech of Soviet policy toward Asia which contains some statements on Sino-Soviet relations. In early August, the Chinese Government made a response to Gorbachev's speech, saying that the speech has presented some new ideas but hoping that the Soviet Union would keep its word, while showing obvious disappointment of Gorbachev's skipping the Cambodian issue in his speech.

All these developments show at least that the relations between China and the Soviet Union are not in a "highly tense" state, although they do not confirm a relaxation of the relations between the two countries either. This fact is obvious to all.

Therefore, as we see it, there are three possibilities regarding this report by YOMIURI SHIMBUN: First, this is a sheer fabrication. Second, it did happen, but it was merely an individual event that can be solved by representations through local or other channels and does not merit a big fuss. And third, both China and the Soviet Union have paid great attention to the event, it leads to a quarrel between them, and the failure of negotiations results in "highly tense" relations.

Given the present situation, it appears that the first two possibilities are more reasonable than the last, which is not consistent with the latest development.

Gorbachev announced 4 days ago that the Soviet Union would unilaterally extend the period of suspension of nuclear tests to 1 January next year. The last expiry date for suspension of nuclear tests set by the Soviet Union was 6 August. But Gorbachev did not announce the extension of the nuclear test suspension period until 12 days later, on 18 August. Western analysts said the 12-day delay gave the Soviet authorities the time to reach a compromise with the military. To find out whether this speculation is correct with regard to Gorbachev's policy on Asia, we look forward to statements from Moscow and Beijing on this report by YOMIURI SHIMBUN.

Soviet Source Confirms Incident

HK220842 Hong Kong AFP in English 0831 GMT 22 Aug 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Aug 22 (AFP) -- An armed incident occurred last month between Soviet and Chinese border guards in China's northwest border region, an informed Soviet source said here Friday, describing the incident as minor.

"The incident which occurred on the border between the Soviet Union and China was minor and resulted from a misunderstanding between the Soviet and Chinese sides," the source added.

(In Tokyo, the newspaper YOMIURI SHIMBUN said Friday that a Chinese soldier was killed and another wounded during a border incident which occurred on July 12.

(In the report, a Chinese official was quoted by East European sources as saying that 13 Soviet frontier guards, who were in disguise, had opened fire on a Chinese patrol.)

The incident happened in the border area separating the Soviet Republic of kazhakstan and the Xinjiang Uygur Autonomous Region in northwest China, the Soviet source added.

"Soviet and Chinese local authorities have sought to establish the exact causes of the incident so that such an incident would not happen again," the source said. The source did not say whether there had been any casualties in the incident.

The Chinese Foreign Ministry took note of a question about the incident. A spokesman for the Soviet Embassy here said: "We have no comment on this."

"Local Chinese and Soviet authorities agree that the incident was minor and isolated," the Soviet source said. The source said last month's incident was not premeditated and would not affect Sino-Soviet relations.

Li Shaoqian, deputy director of the Xinjiang Border Affairs Office, replied to a telephone query: "We have heard nothing about this."

(The Japanese newspaper report said the encounter had taken place in the Ili Kazakh Autonomous Prefecture in northern Xinjiang and that two Chinese civilians had been taken away by Soviet border guards.)

Western diplomats here said that if the incident had in fact taken place, both countries, and especially the Soviet Union, would have sought to minimize its impact given current moves to improve Sino-Soviet relations. Neither country had any interest in provoking a border confrontation just as Moscow was making overtures to Beijing in an effort to build up a climate of trust, the diplomats said.

In a major foreign policy speech delivered July 28, Soviet leader Mikhail Gorbachev proposed resolving a territorial dispute involving the Ussuri River which borders China's northeast province of Heilongjiang, the scene of bloody Sino-Soviet clashes in March 1969.

Mr Gorbachev indicated the Soviet Union would henceforth regard the border as lying along the middle of the Ussuri and Amur Rivers, rather than along the Chinese Bank.

Bloody clashes between Chinese and Soviet border troops flared up on the island of Chenbao on March 2, 1969, causing several dozen casualties. Other confrontations occurred March 15 in the same region, followed by less serious incidents there and in Xinjiang in the spring and summer that year.

In May 1978, fresh clashes occurred in Heilongjiang in northeast China, and again in July 1979 in Yilin Prefecture. That incident left one Chinese soldier dead and one wounded.

The Soviet military presence along the Sino-Soviet border, which Beijing estimates at one million troops, is one of three obstacles Beijing says is blocking normalization of relations with Moscow. The two other obstacles Beijing cites are Moscow's support for the Vietnamese occupation of Cambodia and the Soviet military presence in Afghanistan.

XINHUA REPORTS ON SOVIET NUCLEAR PRESS CONFERENCE

OW211828 Beijing XINHUA in English 1810 GMT 21 Aug 86

["Senior Soviet Official on Causes of Chernobyl Accident, Says Nuclear Program Badly Hurt" -- XINHUA headline]

[Text] Moscow, August 21 (XINHUA) -- A top atomic energy official said today the Chernobyl nuclear accident occurred due to "gross human error," and that is badly hurt the nation's nuclear program.

Speaking at a news conference, Andranik Petrosyants, chairman of the State Nuclear Energy Committee, said the accident occurred after the Number 4 Chernobyl reactor had been operating for 11 hours without its cooling system during a scheduled services operation.

He said there were two explosions in the reactor on April 26, one caused by a huge concentration of steam and another, chemical blast caused by oxygen reacting with the hot core of the reactor.

Petrosyants said, "Before the fourth unit had been stopped for planned repairs after two years of operation, the plant managers decided to test the turbogenerator. It was a purely electrical engineering job which was not at all related to the reactor."

He said, "The investigation found out, however, that the quality of the execution of the test program had been poor and that it had not provided for essential safety measures. There were obvious manifestations of negligence, irresponsibility and conceit, which resulted in the accident." Petrosyants said the accident could be blamed almost entirely on human error.

The accident, he added, "badly affected Soviet atomic power engineering and will undoubtedly have an effect on the world's atomic power industry as a whole."

According to him, "the Chernobyl plant, incorporating four 1,000,000 kilowatt reactors, had been working satisfactorily. In 1985, it generated 29 billion kilowatt hours of electricity."

The death toll from the Chernobyl nuclear accident has risen to 31 from 28 as announced in late July.

At the same press conference, Leonid Ilin, a vice president of the Soviet Academy of Medical Sciences who has monitored health consequences of the accident, said 203 people were found to have suffered radiation sickness, and three of them are in serious condition. Ilin said 135,000 people were evacuated from the northern Ukraine and southern Belorussia after the accident. The Chernobyl plant is 130 kilometers north of Kiev. He indicated that this included all those moved out of a 30-kilometer danger zone drawn around the power plant as well as others evacuated from areas beyond that limit.

BEIJING MAYOR CHEN XITONG TOURS MOSCOW

OW211750 Beijing XINHUA in English 1739 GMT 21 Aug 86

[Text] Moscow, August 21 (XINHUA) -- The goodwill delegation from the Chinese capital of Beijing headed by Mayor Chen Xitong has spent the last few days touring the city of Moscow to learn about its economic development, urban transport and housing construction. Since their arrival here last Sunday, the Chinese visitors also paid homage to the Lenin Mausoleum and the Tomb of Unknown Soldiers who devoted their lives in the anti-facist war. They left Moscow for Leningrad this afternoon, and from there they will go on to Kiev and Volgograd.

SOVIET SOLDIER INTERVIEWED ON AFGHANISTAN REALITIES

OW211548 Beijing XINHUA in English 1532 GMT 21 Aug 86

["Soviet Soldier Complains of Kremlin's Policy in Afghanistan" -- XINHUA headline]

[Text] Islamabad, August 21 (XINHUA) -- A Soviet soldier has pointed out that he and his colleagues fall victim to the aggressive policy of the Kremlin in Afghanistan, reported the latest issue of the "AFGHAN REALITIES".

I. 22 Aug 86

C 5

PRC INTERNATIONAL AFFAIRS
SOVIET UNION

In an interview with the Peshawar-based fortnightly, Garyagday, [name as received] 20, said: "For the above-said reason Soviet soldiers are unhappy to be sent to Afghanistan."

Garyagday had remained in one of the nine Soviet posts around the airport of Afghanistan's Ghazni Province for two years. He was captured by the Mujahedin (holy-war fighters) last month.

"Hashish is common among the Soviet soldiers in Afghanistan. Many soldiers are eager to smoke hashish, however, they are afraid of their cruel officers. Still, they try to obtain hashish from any place," Garyagday said.

He noted that he had not taken part in any operation against the Mujahedin. he left his post to buy something in a bazaar and was intercepted and captured by the Mujahedin.

"My military service was going to finish in 1986 and my parents were uneasily waiting for my return. However, what would happen?" he said.

Garyagday's eyes were filled with tears when he said that his parents were weeping on his departure for Afghanistan, the fortnightly reported.

Since the Soviet military invasion of Afghanistan in 1979, about 15,000 Soviet soldiers have been killed or wounded. At present, Soviet troops stationed in that country have increased to over 120,000.

'INFORMED SOURCE' SAYS KAPITSA WILL VISIT JAPAN

OW220020 Beijing XINHUA in English 0001 GMT 22 Aug 86

[Text] Moscow, August 21 (XINHUA) -- Soviet Vice Foreign Minister Mikhail Kapitsa will go to Japan next Wednesday for a three-day visit, a well-informed source said.

Kapitsa will exchange views with Japanese high-ranking officials on the new proposals put forward by Soviet leader Mikhail Gorbachev last month.

In a speech in the Soviet far eastern city of Vladivostok on July 27, Gorbachev declared that the Soviet Union will withdraw six Soviet Army regiments from Afghanistan by the end of this year and a substantial part of its troops from Mongolia and improve relations with China and Japan.

Kapitsa is also expected to discuss economic cooperation and Gorbachev's visit to Tokyo with Japanese officials.

Soviet Foreign Minister Eduard Shevardnadze and his Japanese counterpart Shintaro Abe exchanged visits in the first half of the year and reached an agreement that the top leaders of the two countries will also visit each other.

Tokyo holds that Gorbachev should first visit Japan since Prime Minister Kakuei Tanaka paid an official visit to Moscow in 1973, but no Soviet leader has ever visited Japan. Tokyo has expressed its desire that Gorbachev will visit Japan early next year.

The well-informed source also said that Kapitsa will pay a visit to New Zealand before his Tokyo trip.

Kapitsa's scheduled visits to Tokyo and Wellington indicate that Moscow is continuing its diplomatic offensive in the Asian-Pacific region.

WANG RENZHONG RECEIVES SOVIET PLANNING DELEGATION

OW211530 Beijing XINHUA in English 1508 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- The Financial and Economic Committee of the National People's Congress (NPC) gave a banquet here this evening for a delegation from the Budget and Planning Commission of the Council of Nationalities of the presidium of the Supreme Soviet of the U.S.S.R.

This is the first Soviet special commission delegation to visit China since the two parliaments resumed their contacts last year.

Wang Renzhong, vice-chairman of the NPC Standing Committee and chairman of the Financial and Economic Committee of the NPC, hosted the banquet and met the delegation members led by Nikolay Ivanovich Maslennikov, chairman of the Budget and Planning Commission of the Council of Nationalities.

Wang expressed the belief that the delegation's trip to China would promote mutual understanding and cooperation between the two parliaments.

Maslennikov said the Soviet delegation's visit to China had its significance, for both the Soviet and Chinese peoples are now confronted with the issue of economic and social development on a large scale. Both countries are making efforts to solve their own problems. He expressed the hope that both sides could exchange views on these issues during the visit.

The delegation arrived here today at the invitation of the Financial and Economic Committee of the NPC.

SOVIET ENSEMBLE ARRIVES IN PRC 21 AUG

OW220748 Beijing in Russian to the USSR 1800 GMT 21 Aug 86

[Text] The Soviet Barokko Ensemble headed by Galina Ivanovna Manovskaya arrived in Beijing by air on 21 August for a fortnight's performance tour of our country, in accordance with the plan for cultural cooperation between the PRC and the Soviet Union. Gao Zhanxiang, PRC vice minister of culture, held a banquet in honor of the Soviet artists in the evening of the same day.

CYL SECRETARY ON DELEGATION'S VISIT TO DPRK

SK211105 Beijing International Service in Korean 1100 GMT 20 Aug 86

["Radio speech" by Li Keqiang, secretary of the Chinese Communist Youth League (CYL) Central Committee and deputy head of the Chinese youth delegation, in connection with its visit to the DPRK — read by announcer]

[Text] Dear Korean comrades: The Chinese youth delegation led by Comrade Song Defu, first secretary of the CYL Central Committee, will visit the DPRK. The 200 members of the Chinese youth delegation include officials and excellent youth representatives of communist youth organizations from across the country and core functionaries from various sectors.

This visit will be a great event in the history of Chinese-Korean friendship. Our Chinese CYL is sending a delegation of this size to Korea for the first time, and will hold a joint friendship meeting. At this moment, when our delegation is leaving for Korea, I remember the unforgettable days when we held a joint meeting with the 500 members of the Korean youth visiting group last summer in country. At that time, I, one of the organizers of the Chinese-Korean friendship meeting, spent unforgettable days with the Korean youths. We shared friendly sentiments with the young Korean friends while merrily singing and dancing along the (Chang) and (Hwangpu) rivers. Numerous emotional scenes left an indelible impression on the youths of the two countries. I still look back upon those days with feelings.

Availing myself of this opportunity, I extend the warm greetings of the Chinese youths to the Korean youths. I firmly believe that we will meet each other and will happily share friendly sentiments for a few days in Pyongyang and other Korean cities.

Contributing to promoting friendship between the peoples of the two countries and inheriting friendship between them eternally, generation after generation, is the most important and honorable task of this visit by our Chinese youth delegation. We sincerely rejoice over the achievements that the young friends of the DPRK attained in the work of building and defending the fatherland under the leadership of the great leader President Kim Il-sung and the WPK. We are also much interested in construction in Korea and the independent, peaceful reunification of Korea.

I firmly believe that our young generation will more beautifully help the militant friendship bloom between the peoples of the two countries, forged in blood, through joint struggles, and that we will inherit the friendship between the peoples of the two countries, continuing to carry the torch which our predecessors held. We are sure that warm meetings between the Chinese and Korean youths will greatly contribute to the eternal friendship between the peoples of the two countries.

Because the peoples of both of our countries suffered great sacrifices in the joint struggle against aggression by foreign forces and in the war of defending the fatherland, they know well how valuable peace is. A peaceful and stable international environment is necessary for both of our countries in building the fatherland. Therefore, our friendship meeting will also greatly contribute to the cause of defending peace in Asia and world peace.

Many of the comrades in our delegation are visiting Korea for the first time. The comrades of the delegation are fully resolved to learn from the Korean people, Korean youths, and the valuable experience of the LSWYK in carrying out its work during their visit to Korea. We are looking forward to happily meeting the Korean youths. We will visit Korea with the Chinese youths' warm sentiments toward the Korean youths. In conclusion, I sincerely wish that the friendship between the youths of the two countries will be everlasting and immortal, just like the green pine trees of Mt Changbai, and will be eternally unchanging just like the blue waters of the Yalu River.

GAO DI HEADS JILIN DELEGATION TO DPRK

SK220806 Changchun Jilin Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Text] At the invitation of the North Hamgyong Provincial WPK committee of the DPRK, a 10-member provincial delegation headed by Gao Di, member of the CPC Central Committee and secretary of the Jilin Provincial CPC Committee; and with Li Dezhu, alternate member of the CPC Central Committee, Standing Committee member of the Jilin Provincial CPC Committee, and secretary of the Yanbian Autonomous Prefectural CPC Committee as its deputy head, left Changchun City on 21 August to go to North Hamyong Province of the DPRK through the border city, Tumen, to pay a friendly visit to the province.

The delegation consists of Chen Hong, Standing Committee member of the provincial Advisory Commission; Bi Kebin, member of the Jilin Provincial CPC Committee and director of the provincial Foreign Affairs Office; Wu Yixia, member of the Jilin Provincial CPC Committee and secretary of the Changchun City party committee; (Peng Guofeng), member of the Jilin Provincial CPC Committee and secretary of the Baicheng prefectural party committee; (Li Yuantian), deputy director of the Propaganda Department under the provincial party committee; (Li Qifeng), deputy secretary general of the provincial party committee; (Shen Jinyuan), of the Central Liaison Department in Jilin; and (Cai Changqing) and (Qian Chuan), deputy chiefs of the section under the provincial Foreign Affairs Office.

Seeing them off at the railway station were Gao Dezhan, deputy secretary of the provincial party committee and governor of the province; Li Shuren, Standing Committee member of the provincial (?Discipline Inspection) Commission; Li Demin, secretary of the provincial Discipline Inspection Commission; Geng Yuelun, secretary of the provincial party committee; (Wu Changchun), acting director of the Propaganda Department under the provincial party committee; Wang Jiatong, deputy secretary of the Changchun City cpc Committee and major of the city; and Zhu Wenyu, deputy director of the provincial Foreign Affairs Office.

XU XUEQIAN MEETS VISITORS FROM JAPAN 21 Aug

OW210936 Beijing XINHUA in English 0930 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, met with a Japanese delegation from the All Nippon Airways Co., Ltd. led by its advisor Kaheita Okazaki and President Taizo Nakamura here today.

WU XUEQIAN MEETS PAKISTANI FOREIGN SECRETARY

OW211000 Beijing XINHUA in English 0949 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- Wu Xueqian, state councillor and foreign minister, met here today Pakistani Foreign Secretary Abdul Sattar and exchanged views with him on the Afghanistan issue and the relations between China and Pakistan.

Wan Li, Pakistani Meet

OW221028 Beijing XINHUA in English 0930 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Vice-premier Wan Li today expressed his hope for the continued growth of the traditional Sino-Pakistan friendship and exchange between the two peoples. The vice-premier did this when he met with a delegation from the Pakistan Foreign Ministry, headed by Foreign Secretary Abdul Sattar at the Great Hall of the People.

Wan told his guests that he had just come back from Kashi near the Sino-Pakistan border in Xinjiang Uygur Autonomous Region and he was impressed with the friendly contacts between the two peoples there.

China will improve the conditions of the Karakorum Highway on the Chinese side as soon as possible so as to facilitate the contacts between the two peoples and further develop their traditional friendship, he said.

Wan and Sattar agreed there is great potential for Sino-Pakistan trade and economic and scientific and technological cooperation.

Briefing Wan on Pakistan's foreign policies, Sattar said Pakistan hopes for a genuine political solution to the Afghan issue. Pakistan will develop its relations with neighboring countries on the basis of sovereignty and equality, he said. The delegation is scheduled to leave for home by plane later today.

XINHUA ANSWERS QUESTIONS ON SINO-INDIAN BORDER

OW221112 Beijing XINHUA in English 1016 GMT 22 Aug 86

["True, Situation in Sumdorong Chu Valley Area on Eastern Sector of Sino-Indian Boundary" -- XINHUA headline]

[Text] Beijing, August 22 (XINHUA) -- The CHINA NEWS SERVICE released answers to its readers here today on the true situation on the eastern sector of the Sino-Indian boundary.

Full text of the answers reads as follows:

On 8 June this year, our service answered the questions raised by our readers concerning the Sino-Indian boundary issue.

Following the seventh round of talks between Chinese and Indian officials held in late July, Indian leaders have again repeatedly accused Chinese personnel of having crossed the so-called "legitimate" international boundary "McMahon Line" on the eastern sector of the Sino-Indian boundary and "intruded Indian territory" in Sumdorong Chu Valley area. Meanwhile, some Indian newspapers have published one article after another to play it up. Many readers have written to us, asking: What has actually happened on the eastern sector of the Sino-Indian boundary? What exactly is the truth of the whole thing? After careful investigation, our service would like to give our readers a brief account of it.

The Indian officials' description of the so-called "McMahon Line" as a "legitimate boundary" or "international boundary" between China and India is totally untenable. The Sino-Indian boundary with a total length of about 2,000 kilometres has never been formally delimited, and the successive governments of China and India have never signed any boundary treaty or agreement on it. Such being the case, whence comes such a thing as the "legitimate boundary"? This is a simple question of common sense. In history, a traditional customary boundary between China and India respected by the two peoples had naturally taken shape on the basis of the extent of each side's administrative jurisdiction. The Sino-Indian boundary on official maps of British India before 1936 was delineated roughly along the traditional customary line. Even in the early 1950s, the Sino-Indian boundary was still designated as "undefined" or "undemarcated" on the official maps published by India. This is known to all.

The so-called "McMahon Line", a product of the colonialists' policy of aggression against China's Tibet, aroused strong indignation among the Chinese people. The Simla Conference held in 1914 did not touch on the Sino-Indian boundary question at all. The "McMahon Line" was contrived through a secret exchange of notes by the colonialists outside this conference and behind the back of the representative of the then central government of China and has never been recognized by any of the successive Chinese Governments. It is, therefore, illegal and null and void. The illegal "McMahon Line" was so unfit to stand scrutiny that no colonialists dared to have it marked on maps for over 20 years after it had been contrived. How can one imagine that the government of New China today will agree to accept such an illegal boundary line which seriously impairs China's sovereignty and territorial integrity and affects such large tracts of its territory.

As is known to all, there are disputes over all the eastern, middle and western sectors of the Sino-Indian boundary, the eastern sector being the most disputed area. After India's independence, the Indian Government not only took over that part of Chinese territory occupied by the colonialists across the traditional customary Sino-Indian boundary but pushed further north and brought under its occupation large tracts of Chinese territory. As a result, a line of actual control by the two sides has taken shape on Chinese territory, and approximately 90,000 square kilometres of Chinese territory have become disputed areas. This is the crux of the matter concerning the eastern sector. The Sino-Indian boundary talks mainly concentrate on how to settle this question. It is China's consistent position that this question should be settled through friendly consultations in a spirit of mutual understanding and mutual accommodation. This is most fair and reasonable. The Indian side's arbitrary description of the illegal "McMahon Line" as a "legitimate international boundary" in an attempt to delimit the boundary on this basis can never be recognized or accepted by the Chinese people.

As for the question of the Sumdorong Chu Valley area (namely, the Wangdung area), the spokesman of the Chinese Foreign Ministry already made it clear on 16 July. This area has always been part of the Chinese territory. It is located not only far beyond the north of the traditional Sino-Indian boundary but also on the Chinese side of the line of actual control by the two sides. China does not recognize the illegal "McMahon Line" even according to the original map of the "McMahon Line", the Sumdorong Chu Valley area is also located north of the latitude of the line specified on the said map. This cannot be altered. China possesses the original map of the illegal "McMahon line" and so does India. Just have one look at it, things will be very clear. Neither the unwarranted charges nor the distorted propaganda made by the Indian side can change this fact.

Therefore, India's accusation that Chinese personnel "intruded" into Indian territory is totally groundless. Chinese frontier guards were just patrolling and performing their duties on their own territory and did not cross the line of actual control at all. Although the present line of actual control on the eastern sector of the Sino-Indian boundary is extremely unreasonable, the Chinese side has been strictly abiding by this line, pending a negotiated settlement of the Sino-Indian boundary question. The problem is that, taking advantage of the intervals when China's patrolling stopped for a while, the Indian side crossed the line of actual control in some areas in an attempt to further nibble away Chinese territory and create new areas of dispute. As for the repeated crossing of the line of actual control by Indian aircraft and military personnel, the Chinese side has over the years exercised great restraint, advising the Indian side time and again not to go on like that. But, such activities by the Indian side have continued unabated. Moreover, the Indian side even attempts to claim all Chinese territory it intends to occupy through expansion as Indian territory. Sumdorong Chu Valley area is just a case in point. Areas it has occupied are called its territory, and areas it has not occupied, it wants to occupy. What logic is this. Of course, the Chinese side will not let this go unchecked. The above-mentioned erroneous doings of the Indian side have not only disturbed peace and tranquillity in the border areas but are detrimental to the improvement of Sino-Indian relations and settlement of the boundary question through negotiations.

Our service has learned that the Chinese Government hopes most sincerely to develop good-neighbourly and friendly relations with India and see an early settlement of boundary question. While seeking a settlement, China works energetically to develop bilateral relations. We regard this as in conformity with the aspirations and interests of both the Chinese and Indian peoples and conducive to peace in Asia and the world as a whole. We believe that it will not be too difficult to settle the boundary question through patient and friendly consultations in the spirit of mutual understanding and mutual accommodation so long as China and India follow the five principles of peaceful coexistence jointly initiated by the two countries, respect history and take the realities into account, and at the same time take into consideration the national feelings of the two peoples. In this connection, mutual understanding and mutual accommodation are the key to solving the boundary question. It will be impossible to solve the question if only one side is asked to make concession.

'ENCOURAGING' TRADE INCREASE WITH EEC SEEN

HK220058 Beijing CHINA DAILY in English 22 Aug 86 p 1

[By staff reporter Liu Dizhong]

[Text] Trade volume between China and the European Economic Community (EEC) is expected to hit a new record of \$8 billion this year.

The EEC has surged ahead as one of the most active of the nation's major trading partners over the past few years because of China's open policy.

China-EEC trade increased in value between 1970 and 1985 from \$814 million to \$7.3 billion, making EEC the third in trade value with China, behind Japan and Hong Kong-Macao.

In the first half of this year, the figure reached nearly \$4 billion, an increase of 28.1 percent over the same months last year.

According to a senior official of the Ministry of the Foreign Economic Relations and Trade, trade value in terms of overall imports and exports in the second half of a year is usually higher than in the first half. "The total value of trade with the EEC this year may surpass that of last year," he said.

Over the past six months, he said, exports to the 12-member Western European trade bloc shot up 34.7 percent to reach \$1.25 billion while imports soared to \$2.71 billion, 24.3 percent up compared to the corresponding period a year ago.

The obvious increase of China's exports to the EEC was "very encouraging" despite the existing deficit of \$1.46 billion, the official noted.

He attributed the China-EEC trade expansion to the mutual visits of state leaders over past few years, particularly Premier Zhao Ziyang's tour of Western European countries in June last year.

Their joint efforts have played "a significant role" in strengthening the trade links between China and EEC, he said.

The "favorable turn" of the EEC economy this year and its growing market demands also spurred China's exports to Western Europe, he said.

The devaluation of the renminbi this year would also promote China's exports. In addition there were a series of flexible policies to encourage enterprises to produce more for exports, the official said.

Besides agricultural and textile products and other traditional items, he said, China would make efforts to find new markets in Western Europe to expand its exports, including those of machinery, electrical appliances, chemical products and minerals.

To EEC countries, he said, China is a stable and great potential market as the nation needs advanced technology and up-to-date equipment to speed up its modernization programme. China would not overcome its trade deficit by reducing imports, including these from the Community.

To solve the problem, China would, on the one hand, perfect its export system, improve the quality of export products and turn out more new products to change the pattern of exports.

Information

On the other, China needed the support and cooperation of the EEC in its effort to expand its exports, including the wider opening of EEC markets to China, relaxing its restrictions on the import of some products from China and offering more trade information.

The flexibility of the EEC countries over technology transfers and the export of advanced equipment to China had created "favourable conditions" for further expansion of Sino-EEC economic relations, he said.

Developing relations and cooperation on a basis of equality and mutual benefit would help both China's modernization drive and economic prosperity in Western Europe, he added.

"Prospects for trade and other forms of economic relations between China and the Community are very bright," the official predicted.

CHINA DAILY TO BE RECEIVED SAME DAY IN EUROPE

OW211920 Beijing XINHUA in English 1833 GMT 21 Aug 86

[Text] London, August 21 (XINHUA) -- CHINA DAILY, the only national English-language newspaper in the People's Republic of China will be published in London and distributed in Europe from September 1, it was announced here today.

The paper concluded earlier today an agreement with the MIRROR group newspapers in Britain, owned by Robert Maxwell, appointing the latter as exclusive agent to print and distribute CHINA DAILY in Britain and 13 other European countries.

Chen Li, deputy general editor of the daily, and Peter Jay, chief of staff to Robert Maxwell, told the press that CHINA DAILY would transmit every day all its pages by satellite to London from its headquarters in Beijing and that the paper would appear in Western Europe on the same day of its publication.

"I am so pleased to learn that there will now be a European edition of CHINA DAILY," said Prime Minister Margaret Thatcher in a message. "It marks a further step in the spirit of cooperation and friendship between China and European countries," she said, having pointed out that it would help people in Europe to know more about important developments within China, and "their effect upon the lives of its people."

CHINA DAILY, founded in June 1981, has now a daily circulation of 100,000. In China it is printed in Beijing, Shanghai and Guangzhou. From the Beijing editorial office the paper is transmitted by satellite to Hong Kong, New York and San Francisco where it is printed and distributed on the same day as the Beijing edition.

The eight-page broadsheet newspaper covers a wide range of political, economic, social and cultural events in China as well as world affairs. It is published each day of the week except Sunday.

FRG ECONOMIC MINISTER'S PRC TOUR PREVIEWED

OW220740 Beijing XINHUA in English 0635 GMT 22 Aug 86

[Text] Bonn, August 21 (XINHUA) -- Federal German Economic Minister Martin Bangemann begins a five-day Chinese tour on Friday with a view to expanding the trade and economic ties between the two nations.

According to a Ministry communique released Thursday, Bangemann will meet with Chinese ministers responsible for foreign trade, chemicals, coal production, and the election and machine building industries on how Federal Germany can help China reach the goals set out in its Seventh Five-Year Plan.

Leading Federal German industrialists and businessmen will accompany the minister and join an economic cooperation committee made up of both countries.

Federal Germany has so far signed more than 300 economic cooperation contracts with China, which is its second largest trade partner in Asia after Japan.

HUANG HUA MEETS CYPRIOT INFORMATION DELEGATION

OW201158 Beijing XINHUA in English 1022 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, met here today Kypros psyllidhes, director of the Press and Information Office of Cyprus, and his wife.

Huang briefed his guests on China's economic restructuring and peaceful settlement of the Hong Kong question.

The vice-chairman expressed the hope that journalists of the two countries should strengthen their mutual understanding and cooperation.

CHEN FAWEN MEETS, FETES PCI SECRETARY

OW211407 Hangzhou ZHEJIANG RIBAO in Chinese 14 Aug 86 p 1

[Text] Chen Fawen, deputy secretary of the Zhejiang Provincial CPC Committee, met and feted last evening at the Hangzhou Hotel (Juan Gialant,) member of the Italian Communist Party [PCI] Central Committee Secretariat, and his wife. Chen Fawen expressed a warm welcome to the guests on their visit to Zhejiang Province.

Zhang Xiangshan, adviser to the International Liaison Department of the CPC Central Committee, who accompanied the guests on their visit to Zhejiang; and Cai Shun, deputy director of the Zhejiang Provincial Office of Foreign Affairs, attended the meeting and banquet.

The Italian guests arrived in Hangzhou from Xian on 13 August, and will leave Hangzhou for Shanghai on 16 August.

SHIJIE ZHISHI ON 'EUREKA' PROGRAM DEVELOPMENT

HK201043 Beijing SHIJIE ZHISHI in Chinese No 15, 1 Aug 86 p 15

[Article by Zhen Xian: "New Progress in the 'Eureka' Program"]

[Text] "Our move has begun and we are gaining momentum." This was said by British Secretary of Trade and Industry Channon on the "Eureka" program at the third ministerial conference on the program. On 30 June, 40 foreign ministers and ministers in charge of industry and scientific research from 19 countries in Western Europe gathered in London and further promoted the "Eureka" program. This conference achieved new positive achievements on the basis of the Paris conference held in July 1985 and the Hanover conference held in November 1985. First, the conference admitted Iceland as a new member, so that the program's number of participating countries increased to 19. Second, the 62 cooperative projects adopted by the conference exceeded the previous 10 in terms of quantity, intensiveness, and extensiveness. These new projects mainly involve such areas as information, robots, new materials, biological technology, and so on. Some large projects are the "Prometheus" project to develop "computerized traffic systems," the "EAST" project to develop "software that can produce software," and so on. It is expected that the investment sum needed totals 2 billion European currency units (about \$2 billion). Third, the conference found sources for part of the funds from the governments. France decided to provide 350 million francs this year. It also promised to increase the amount by 100 percent next year and to provide 1 billion francs each year after 1987. Britain announced that it would provide 10 million pounds annually to the program. The FRG decided that between now and 1995, it would provide 500 million marks annually to the program. Fourth, it established a 7-member permanent Secretariat, which will be located in Brussels. Xavier Fels, the conference also adopted the procedure for implementing the cooperative projects: All participating countries should deliver to the Secretariat projects worked out by themselves and adopted by their governments. Other countries should propose within 45 days their opinions on participating in the projects. In addition, the conference decided to hold the next ministerial conference on "Eureka" in Stockholm in December.

The "Eureka" program has achieved this progress mainly because: First, the West European countries have strengthened their "sense of being part of Europe." Last year, Mitterrand proposed this program mainly because he did not want Europe to become the "processing factory" of the United States and Japan in the area of new technology. Over the year, the West European countries' feelings of exerting themselves in science and technology grew stronger. French press commented on this London conference and said: "Eureka" is mainly a reflection of European thinking. It shows that the Europeans are not willing just to play a support role in a world in which technology grows at a tremendous speed. [paragraph continues]

Thatcher said in her opening speech: If we fail in this program, we shall face a prospect in which the world's market of high technological products may be monopolized by the United States and Japan. Originally, Britain was not so enthusiastic about the "Eureka" program. But it took a more active role at this conference, and decided to participate in 28 of the 62 projects.

West Germany was also more active than before, and decided to take part in 19 projects. France is the sponsor of the program. After a change of French Government in March this year, the Chirac administration continued to actively promote this program. It sent the minister of foreign affairs, the minister of industry, and the minister of scientific research to attend the conference. It also pledged that France would support this program with its financial efforts.

Second, the United States encountered difficulties in its "Strategic Defense Initiative." After the accident of space shuttle "Challenger" in January this year, public opinion held that this setback smashed the "technological myth" of the United States. The progress of the project was postponed, and people felt doubt about it. Therefore, European entrepreneurs became more interested in the civilian "Eureka" program. Third, the United States sets harsh terms for foreign nations that participate in the "Strategic Defense Initiative." There are rigid regulations on project items that are open to the participating enterprises, as well as on sharing the technological achievements. Thus, the actual benefits gained by foreign enterprises are very limited. On the contrary, the "Eureka" program is much more favorable. It adopts a flexible and diversified mode of cooperation, and the participating enterprises can choose freely their favorable project items. Be it a large- or small-scale one, there is no restriction on the share and target of cooperation. Therefore, all large, medium-sized, and small enterprises can gain benefits from this. Originally, some small countries such as the Benelux countries were afraid that the program would be under the control of large countries and they would share only little benefits. But the London conference put their mind at ease.

The London conference showed once again that the "Eureka" program reflects the interests and needs of European countries. With more countries participating in the program, it will make constant progress. It can be envisaged that scientific and technological cooperation will gradually become an important area helping promote the unity of Europe. Of course, it is not an easy thing for quite a number of countries and their enterprises to cooperate with each other for the sake of this goal. In order to turn the research achievements into industry's "European brand" products that can compete with those from the United States and Japan, the European countries must solve many problems. Through scientific and technological cooperation, Western Europe will make progress while overcoming the difficulties.

SONG PING, HUNGARY'S COUNCIL VICE CHAIRMAN MEET

OW221030 Beijing XINHUA in English 0942 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Song Ping, Chinese state councillor and minister in charge of the State Planning Commission, held talks with Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, here today.

They exchanged views on the ongoing five-year plans and measures for economic restructuring of the two countries as well as cooperation between their organizations.

HUNGARIAN DELEGATION ARRIVES IN FUJIAN FOR VISIT

OW211835 Fuzhou FUJIAN RIBAO in Chinese 13 Aug 86 p 1

[Dispatch by reporter Weng Xinhui]

[Text] Yesterday afternoon, at the Xihu Guesthouse, Vice Governor You Dexin met with a Hungarian economic delegation, which had come to our province for an inspection and visit. The vice governor welcomed the delegation on its first visit to Fujian. He said: Hungary has many experiences worth our attention. During the past few years, we have maintained good relations. It is believed that this visit will help bring about new progress in economic cooperation and trade between Hungary and Fujian Province.

The 14-member Hungarian economic delegation headed by Ferenc Bartha, chairman of the Hungarian International Economic Relations Committee, arrived in Fuzhou from Xiamen on 11 August at the invitation of the State Economic Commission and the State Commission for Restructuring the Economic System. The main purpose of its visit is to inspect and find out how our province is reforming its economic structure and to explore the possibility of developing economic, technological, and trade exchange and cooperation with our province.

The meeting was followed by a 3-hour discussion, which proceeded in a sincere and friendly atmosphere. At first, the guests were briefed on Fujian's economic structural reform, the technological upgrading of its enterprises, and its foreign economic relations and trade respectively by Jin Ling, vice chairman of the provincial Commission for Restructuring the Economic System; Huang Wenlin, vice chairman of the provincial Economic Commission; and Zhang Liang, vice chairman of the provincial Commission for Foreign Economic Relations and Trade. Then, (Erno Kemanash), director of the Planned Economy Research Institute of the Hungarian National Planning Office, and Imre Szabo, first deputy minister of industry, gave briefings on the economic development and the imports and exports of their country.

Comrade Ferenc Bartha, leader of the delegation, said: This morning we visited some factories in Fuzhou. We feel that there are broad prospects for us to conduct cooperation in the fields of machinery, chemical, and food industries. Some products, technologies, and equipment may be supplied directly. If business is done on a credit basis or in the form of barter trade, Hungary is willing to be Fujian's trade partner.

DENG XIAOPING INSPECTS TIANJIN ECONOMIC ZONE

OW212040 Beijing XINHUA Domestic Service in Chinese 1302 GMT 21 Aug 86

[By Reporter Li Yuanpu]

[Text] Tianjin, 21 Aug (XINHUA) -- Deng Xiaoping, Standing Committee member of the Political Bureau of the CPC Central Committee and chairman of the Central Advisory Commission, inspected the Tianjin Economic and Technological Development Zone this morning. He said: "The policy of opening to the outside world will continue. Without the open policy, it will be impossible to invigorate the domestic economy. There is no question of retrenching this policy in any respect." He wrote an inscription for the development zone reading: "The development zone is highly promising."

Comrade Deng Xiaoping arrived in Tianjin on the evening of 19 August from Beidaihe. On 20 and 21 August, accompanied by Tianjin City's mayor, Li Ruihuan, he inspected Tianjin's urban construction projects and residential estates and Tianjin's new harbor as well as the economic and technological development zone under construction and Ancient Culture Street.

On the evening of 19 August when Deng Xiaoping alighted from the train, he told Li Ruihuan: "I would like to see your development zone. The Tianjin development zone is good. It is already famous, and foreign investors can put their minds at ease, since the investment environment has been improved."

Construction of the Tianjin Economic and Technological Zone began at the end of 1984 on the basis of the guiding ideology put forward by Deng Xiaoping that "the policy of opening to the outside world should go ahead instead of being retrenched." After working hard for a year and eight months, from that time to the present, 35 contracts have already been signed with foreign businessmen. Eleven countries and regions have made investments here. Twenty enterprises will be put into operation by the end of this year. When Deng Xiaoping was informed of this situation, he cheerfully told Zhang Wei, chairman of the Administrative Committee of the development zone: "The policy of opening to the outside world will continue. Without the open policy, it will be impossible to invigorate the domestic economy. There is no question of retrenching this policy in any respect." In the economic and technological development zone, Deng Xiaoping met with Chinese and foreign managers of a joint venture, visited the Danhua Company workshop and inspected bicycles that were produced on a trial basis.

A responsible person of Tianjin's new harbor gave a brief report to Deng Xiaoping. He said: Since the delegation of decision-making powers to lower-levels in Tianjin new harbor, economic efficiency has been raised by 40 percent and the harbor's handling capacity increased by 22 percent as compared with those two years ago. The problem of keeping ships at the harbor over a protracted period for loading and unloading has been solved. Deng Xiaoping said: "People are the same, and the place is the same. Efficiency is raised when reform is carried out. You have been given power. The power of man is most important. When you have power and money, the situation will be greatly changed."

When Deng Xiaoping was in Tianjin, he saw cars and motorcycles manufactured by the city with technology and equipment imported from the Federal Republic of Germany and Japan. Deng Xiaoping said: "We should try to solve problems relating to our own motor vehicles production. You should produce new designs and models. Vehicle designs should be changed periodically, just like the packaging of various commodities."

When Deng Xiaoping visited an exhibition of light industrial products in Tianjin, he made inquiries on the varieties, designs and quality of light industrial products. He emphatically pointed out: "The issue of quality is most important."

On the morning of 20 August when the weather was clearing up from an evening rain, Deng Xiaoping rode 34.5 kilometers in a sedan to inspect the trunk artery in Tianjin's transportation field -- the Zhonghuan Line which was completed on 1 July this year. On the cloverleaf overpass bridge at Zhongshanmen, Deng Xiaoping got out of the sedan to meet with Hu Xihua, designer of this ingeniously conceived bridge. Holding Hu's hand, he said: "good work, good work." Li Ruihuan briefly introduced Hu Xihua. He said: Hu Xihua is 30 years old. Since he graduated from a technical secondary school, he is not an engineer yet. According to regulations, he cannot become one yet. However, we plan to make an exception and promote him to engineer. Deng Xiaoping said. "This should be done. No one should oppose this. This is also a form of reform." Deng Xiaoping was greatly impressed by the completion of the Zhonghua Line with high speed and high quality. He said: "We would have tremendous power, if we stress political affairs in the course of making reforms and promoting modern science and technology."

After visiting Ancient Culture Street, completed on New Year's Day this year, and touring the city of Tianjin, Deng Xiaoping excitedly said: "There have been tremendous changes in Tianjin over the past few years. the city is now much more attractive than before. Ancient Culture Street is quite unique. It definitely has a strong appeal to foreigners."

Deng Xiaoping has always shown great concern over the project of diverting water from the Luan He to Tianjin. He warmly praised PLA commanders and fighters who participated in developing this project. This year is the third anniversary of the completion of the project of diverting water from the Luan He to Tianjin. On 20 August, Deng Xiaoping wrote an inscription on the stone tablet to mark the completion of the project of diverting water from the Luan He to Tianjin.

While visiting a residential area along North Xianjiang Road in Hongqiao District, he saw a group of innocent and artless children playing in a garden. He cheerfully bent over to kiss the children. The children surrounded him and shouted "how are you, grandpa Deng." Deng Xiaoping cheerfully waved at the children. The garden in the residential area north of the physical culture institute in Hexi District greatly aroused Deng Xiaoping's interest. he strolled through rockeries, waterside pavilions and kiosks. Hearing that Xiaoping was here, residents in the vicinity came out to their balconies and courtyards, warmly clapping their hands to welcome Comrade Deng Xiaoping.

STATE COUNCIL APPROVES TIANJIN OVERALL PLAN

OW150542 Beijing XINHUA Domestic Service in Chinese 1655 GMT 14 Aug 86

[Text] Beijing, 14 Aug (XINHUA) -- The State Council recently approved an "Overall Plan for the Construction of Tianjin Municipality," calling for making Tianjin an open, modern, and multipurpose economic center, port city, and comprehensive industrial base with advanced technology.

In approving the overall plan, the State Council pointed out in its official written reply: From now on, Tianjin should fully use its industrial foundation and resources to particularly develop new and technology-intensive industries that save water and energy and consume less raw and semifinished materials.

It should import advanced technology, transform old enterprises, and readjust the industrial structure and distribution in order to provide advanced technology, equipment, and industrial products for the development of the national economy.

The official written reply stressed: Comprehensive measures should be taken to strictly control the urban population. Arrangements for municipal construction should be properly readjusted. With the economic development of Tianjin Municipality, networks of rationally distributed towns in the suburbs and outer suburbs should be gradually formed, with Hai He as the axis, the urban area as the center, and the urban and coastal areas as the main body. Such networks of towns will be different in nature and size. Vigorous efforts should be made to develop the coastal areas, especially the coastal area with Tanggu as its center.

The official written reply called for making vigorous efforts to improve transport facilities in Tianjin Municipality. Comprehensive measures should be taken to build a smooth, convenient, and safe transport system inside and outside the municipality as soon as possible to meet the needs of its development. In harbor construction, building more berths; expanding the port transport capacity; doing a good job in building related highways, railways, and warehouses; improving conditions in transportation; and changing the situation in which ships have to wait for quite a while before they can load or unload their cargoes should be stressed. Vigorous efforts should be made to strengthen the development and management of water and energy resources. Where conditions permit, enterprises should make full use of seawater and vigorously engage in research on the desalinization of seawater. A good job should be done in the purification and reuse of foul water. In solving the energy problem, it is necessary to adopt the principle of paying equal attention to developing and saving energy resources. In carrying out technical transformation, industrial and communications enterprises should attach importance to saving energy. In addition, a good job should be done in housing construction and the building of daily-life service facilities.

The official written reply called for doing well in making the municipality green and in environmental improvement. It is necessary to make full use of natural conditions, to expand and improve the greening area, and to improve and beautify the municipal environment. Conscientious efforts should be made to enforce the "Law on Environmental Protection," to strengthen environmental management, and to raise the quality of the municipal environment.

The official written reply pointed out: The approved overall plan for municipal construction has the character of a law. In the light of the plan for land management in Beijing, Tianjin, and Tanggu, the Tianjin Municipal Government should further improve its overall plan. It is necessary to strengthen the legal system and to formulate local regulations governing municipal planning, construction, and administration in order to bring municipal construction and administration into line with the legal system.

The official written reply called on all the party, government, and Army organizations of the central authorities as well as of various provinces, autonomous regions, and municipalities in Tianjin to exemplarily implement its overall plan, and relevant laws and regulations, and to make concerted efforts to build Tianjin into a modern city with a high degree of socialist civilization.

TIANJIN HELPS JOINT VENTURES SOLVE PROBLEMS

OW181344 Beijing XINHUA in English 1330 GMT 18 Aug 86

[Text] Tianjin, August 18 (XINHUA) — Shortages of materials and funds, a headache plaguing many joint ventures, are being eased in Tianjin, a large port city in northern China.

During an interview with XINHUA today, Vice-Mayor Li Lanqing said that his city has established a special department of enterprises involving foreign investment in a bid to help them solve their problems. And successes have been achieved in several joint ventures.

He said that a working meeting attended by 15 civil departments and organizations is held every month in order to get rid of the annoying disputes over trifles, a common disease of many departments in the country.

As one of China's 14 open coastal cities, Tianjin has approved 165 joint ventures and cooperative ventures during the past two years, and 64 of them are already in operation.

"We pay a great deal of attention to the training of the Chinese employees in joint ventures and cooperative enterprises," the vice-mayor said, adding that 150 accountants and 200 senior managers have been trained in the past two years with the help of universities in the city.

The municipal government organizes get-togethers for foreign investors, their Chinese partners and officials. "Our goal is to create more chances for information exchanges and enhance their mutual understanding," Li said.

Statistics show that the total volume of business done by 64 joint ventures and cooperative enterprises in the first half of this year amounted to 137.9 million yuan, almost 81 percent of last year's total.

Sources said that Tianjin is now having talks with investors from Belgium, Britain, Canada, Japan and the United States for more projects.

TRENDS IN TRANSFER OF PRODUCTION OWNERSHIP

HK201327 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 5

[Article by Zuo Mu: "Uphold the Principle of Compensated Transfer of Ownership of the Means of Production"]

[Text] In the course of readjusting the ownership structure and developing lateral economic ties, we may come across the transfer of ownership of certain means of production. In the process of the transfer, instead of practicing egalitarianism and making transfer indiscriminately, we should undoubtedly exchange the means of production according to their social value. It has been reported that in the recent course of switching local state-owned enterprises into collective enterprises, some localities adopted oversimplified methods. For example, the funds of local state-owned enterprises were distributed to the workers in the form of shares. The shares were distributed according to the number of people and years of service. [paragraph continues]

Some people even maintained distribution of shares according to relevant posts. As a result, the workers became shareholders. The profits of an enterprise, after paying taxes, were distributed in the form of dividends. Although the method has aroused the "enthusiasm" of the workers, it runs counter to the principle of transfer based on remuneration. The practice, though followed by a small number of localities and enterprises, may produce a great impact. Therefore, the relevant departments should pay due attention to the matter.

As we all know, China's existing collective enterprises, particularly the so-called "large collective" enterprises, except a few of them, are actually enterprises publicly owned by the localities or departments. Over the years, enterprise funds came from the responsible departments of the local government. As a matter of fact, the local government undertook the risks of operation and management, and local finance assumed responsibility for profits and losses. According to this state of affairs, all funds of an enterprise (including funds first granted in the form of loans and funds accumulated later) are the public property of the local government and do not belong to the enterprise workers. If enterprise property is transferred to enterprise workers gratuitously because an enterprise is switched to collective ownership in name, it would be tantamount to appropriating public property.

Due to the influence of the "leftist" guideline characterized by "a higher degree of public ownership and larger in size," in the course of developing local industry in the past, we upgraded the collective economy of the masses to local public ownership rather than vigorously supported the development of the collective economy of the laboring masses. This practice was absolutely wrong. Such public economy directly operated and managed by local government departments hampered the initiative and enthusiasm of enterprises. In accordance with the requirements of the development of the socialist commodity economy, the existing assets of enterprises should be evaluated in the current reform. In light of the principle based on remuneration, it is necessary to genuinely switch local public ownership to collective economy of the laboring masses or joint stock economy so that an enterprise is truly made an independent economic entity and can become a producer and operator of commodity production. As this reform requires meticulous work related to policies, it should be handled with great care.

Some enterprises were originally production groups or cooperatives formed by the laboring masses with their own funds and production tools. They were later "upgraded" to big collectives and the government departments made investment or assumed responsibility for their profits and losses. Some of these enterprises paid the funds back to the laborers. Those that have not done so should register and check up on the assets and duly make compensations. As most of the laborers who joined the cooperative with their own funds have been transferred elsewhere, the funds of enterprises cannot be distributed to the workers now in service. In view of the fact that the local governments have assumed responsibility for the profits and losses of enterprises for a long time and in light of the method of liquidation of the supply and marketing cooperatives, where conditions permit, the compensation made for the old members of the cooperatives who own the funds should be a bit higher than the bank's fixed deposit interest rate. The rest should be regarded as local public-owned enterprises and then be switched to collective economy of the laboring masses. For example, the existing funds of local public-owned enterprises can be switched to long-term credit funds. With the bank serving as an agent, the funds can be used to support the collective and individual sectors. The principal and interest are to be repaid by enterprises with the profits obtained after tax payments. Where conditions permit, the enterprises can be switched to joint stock economy by means of the masses pooling funds to purchase the enterprises or issuing shares in light of the existing funds of enterprises and then purchasing the enterprises with the funds obtained from selling the shares. [paragraph continues]

With the existing funds of enterprises turned into government shares and some funds mustered by the masses, we can also switch enterprises to joint stock economy. Apart from remuneration, the laborers of the collective and joint stock enterprises have the right to share dividends according to the number of shares or people and to undertake risks. Whichever method is adopted after the reform, government functions must be separated from enterprise management and the government departments or administrative companies must not be allowed to exact management fees from enterprises. If necessary, they may, through legislative procedures, levy income taxes. Besides tax payments, no other charges in any form should be imposed on enterprise profits. Since the ownership has been transferred, the practice of exacting profits after tax payments in the capacity as owners should be resolutely curbed after reform.

Theoretically speaking, ownership belongs to a historical category. It has different connotations in different historical periods. At present, the form of ownership includes ownership of the means of production as well as the way to realize proprietary rights of the means of production. We must start the reform of the ownership system from the following two ways: On the one hand, change the proprietary rights of the means of production; and on the other hand, change the way of realizing the proprietary rights on the premise of keeping the proprietary rights unchanged. For example, when the state enterprises owned and managed directly by the local government are switched to collective ownership by some laboring masses and to independent operation and management by enterprises, both proprietary rights and the way to realize proprietary rights effect a change. However, if enterprises under different ownership systems jointly become an economic entity that practices independent accounting and assumes sole responsibility for its profits and losses, the proprietary rights of the means of production remain unchanged, while the way to realize the proprietary rights effects a radical change. Regarding the local state enterprises that have joined the associations, formerly, the local government owned and directly operated the enterprises and obtained the profits after tax payments or the surplus products. Now it is owned by the local government and is independently operated and managed by the integrated complex. The owners share the profits after tax payments or the surplus products according to the amount of their investment. This shows that the way to realize proprietary rights can be changed by keeping the proprietary rights unchanged. As the question of proprietary rights is the substance of the ownership system, it is extremely difficult to effect a change of the question of proprietary rights. In the experiments conducted at selected points, the stress should be put on changing the way to realize the proprietary rights. If necessary and where conditions permit, proprietary rights can also be changed according to the principle based on remuneration. If we mistake the reform of the way to realize proprietary rights as the reform of proprietary rights, it will lead to negation of the principle based on remuneration. This point should be taken seriously in the reform of the collective economy as well as in the reform of other economic sectors.

OFFICIAL ON ECONOMIC STRUCTURAL REFORM

HK150557 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 3-5

[Article by Gao Shangquan, vice minister in charge of the State Commission for Restructuring Economic System: "Several Opinions on Restructuring China's Economic System"]

[Excerpts] 1. Further Develop the Planned Commodity Economy

China's previous economic system was set up early in the First 5-Year Plan. It was mainly based on the Soviet economic pattern and clung to the practice adopted in the liberated areas and some conditions which appeared after the founding of the people's republic. [paragraph continues]

At that time, the system played a positive role and guaranteed the completion of key construction project in the First 5-Year Plan. However, its disadvantages started appearing at the end of the First 5-Year Plan. They were mainly expressed in overcentralization, tight and rigid control over enterprise management, the neglect of the law of value and the commodity economy, and the practice of eating from the same big pot and egalitarianism in distribution. These problems were unveiled in the newspapers of that time. [passage omitted]

It was at the 3d Plenary Session of the 11th CPC Central Committee that we called for devoting major efforts to developing commodity production and exchange. In October 1984, the 3d Plenary Session of the 12th CPC Central Committee adopted the "Decision of the CPC Central Committee on Reform of the Economic Structure," in which the concept of the planned commodity economy was clearly set forth. This was an amazing breakthrough. World public opinion reacted favorably, since it seemed that China had made a development of Marxism on this question. Numerous facts have shown that this theory is absolutely correct.

-- The vigorous development of lateral economic ties has begun disrupting the system of separating departmental management from regional management. This is the most important sign of the development of the commodity economy because without lateral economic ties, the commodity economy can hardly develop. The greatest change in our economy in the past year has been the development of lateral economic ties. [passage omitted]

-- Various forms of ownership have developed simultaneously. More than 60,000 small state enterprises (mainly commercial enterprises) have been reformed. Some of these enterprises were contracted to the collective and some to individuals. The result is heartening and many enterprises have made up deficits and increase surpluses. The reform of ownership was carried out on the condition that public ownership always held sway. In the total industrial output value of 1985, state enterprises contributed 70.4 percent, collectively-run enterprises 28.1 percent, and individual traders and peddlers 1.5 percent. Meanwhile, in the total volume of retail sales, state enterprises accounted for 42.1 percent, collectively-run enterprises 37.2 percent, individual traders 14.6 percent, and others 6.1 percent. All this shows that public ownership played a leading role.

-- Decentralized administration has instilled greater vitality into enterprises (passage omitted).

-- The structural reform of circulated has boosted the development of the commodity market. There are now clearly 2,000 trading centres spread throughout the country. However, we must note that our labor and capital markets are still not lively enough.

-- Much attention has been paid to the law of value and the role of economic levers. Price controls on many small commodities have been relaxed and some items of means of production are now sold at negotiated prices. Prices have risen somewhat, but practical results are evident. It takes time to come to a correct understanding of the reform of the price system. This is a problem of prime importance. Even if we sort this one thing out, we will still have to sort out all the rest. Any neglect of the problem will lead to inflation. Meanwhile, we have readjusted taxation, interest rates and ways to a certain extent. This has somewhat reinvigorated the national economy.

-- The rural reform has got onto the track of the planned commodity economy. The state monopoly for purchase and marketing of farm products has been replaced by the contract system. Specialized households have developed and peasants can now provide more produce for the market.

-- Our policy of opening to the outside world has expanded the scale of the commodity economy with other countries. Good progress has been made in the use of foreign capital with the establishment of over 2,300 Chinese-foreign joint ventures, 3,800 cooperative enterprises, and more than 130 enterprises run exclusively with foreign investment. Meanwhile, China has also joined in the world market of labor services.

-- Through the development of the commodity economy, the broad masses of the people have appreciated more than ever the correctness of reform. According to a survey made by the "Research Office for Reform of China's Economic Structure" under the State Commission for Restructuring Economic System, we found that 78 percent of our young people are keen to take risks to carry out reform and develop the commodity economy.

All the above facts have proved that the planned commodity economy is absolutely correct in theory and has made breakthroughs in practice. However, people at home and abroad still have some confused ideas and doubt whether China's reform is pursuing socialism or capitalism. In May this year, I went to the United States to attend a meeting of Chinese and American senior scholars. On that occasion, an American professor said that China's economic liberalization will inevitably lead to political liberalization and capitalism. He does not understand our reform and I explained to him that what we are doing is to improve the socialist system. This can be proved by the facts demonstrated in recent years. 1) The reform has resulted in the expansion of production; 2) the reform has enhanced the living standards of the people; 3) the reform has promoted progress of socialism. The total experiences of over 30 years have taught us that the existing economic structure should be reformed, otherwise there will be no way out. Recently, I led an observation group to Hungary and Yugoslavia to look into problems and lessons they have experienced in the course of reform. They candidly answered questions we raised and hoped China's reform would succeed and avoid detours. They held that China's reform is of significance to the world. It will be impossible to compete with capitalism if no effort is made to carry out reform. Reform represents the improvement of the socialist system and does not mean pursuit of capitalism.

2. Strive To Fulfill Targets for the Reform of the Economic Structure in the Seventh 5-Year Plan and the Current Reform Tasks

The main target for China's reform is to lay a good foundation for a dynamic socialist economic structure in the next 5 years or more. What is the "foundation?" This question can only be answered through practice. Now it seems that laying a good foundation means that we must strive to keep the new structure in a predominant position. Concretely speaking, this means: 1) Ownership of enterprises must be separated from their power of operation. We should no longer regard enterprises as appendages of administrative organs and should turn them into independent economic entities having full authority for management and full responsibility for their own profits and losses; 2) efforts must be made to readjust the seriously distorted prices of means of production so that taxation for enterprises will be reasonable and enterprises will by and large be able to compete with each other on equal footing; 3) mandatory planning must be substantially reduced and most materials will be exchanged through trade contracts; 4) the responsibilities of the central and local governments must be appropriately divided in the administrative and financial aspects and the areas of investment for the central and local governments and for enterprises must be clearly defined; 5) the functions of government should be separated from those of enterprises. The functions of government offices should be drastically changed and the reform of government departments should be substantially completed. The structural reform must be linked with that of government departments.

This year's reform must be based on the principle of "consolidation, assimilation, replenishment and improvement." Some people do not have a correct understanding of the principle. They think that all tasks can be easily fulfilled, so why should we not walk at a faster pace? As a matter of fact, reform should advance wave upon wave and should not be done at the same pace every year. Last year we took a quickened step in reform of the price and wage systems and this year we have to consolidate what we have achieved in reform and solve some pending problems. It will take time to solve these problems, including the problem of how to instill great vitality into enterprises. At present many enterprises complain about lack of floating capital, too many apportioned charges and heavy taxes. The central government is working to adopt a series of measures to increase floating capital, reduce regulatory taxes and raise depreciation rates.

It must be noted that tasks for this year's reform are still very, very hard. This is because improving and strengthening macroeconomic control is not an easy job. In reform it is difficult to make progress, but it is easy to retreat. Many people say that adopting a reform measure needs great effort, but it can be easily cancelled by an instruction or a document. It will really take a lot of effort to consolidate what has been achieved in reform and to solve pending problems. For example, China lacks experience in exercising control over the scale of credits and the volume of currency issued.

In May this year, the State Council convened the first national meeting for restructuring the urban economy. It specially discussed problems regarding the development of lateral economic ties. With the development of lateral economic ties, a breach has been opened in the old structure, which is marked by numerous barriers existing between different departments or regions. While we are developing the planned commodity economy, we must break through the barriers and smash the bonds of the old structure. To achieve this, it is impossible to issue an order, rather we must depend on lateral cooperation of grass-roots enterprises because this can produce, strike and reflex on a wider scale. Through the development of lateral cooperation of grass-roots enterprises, we can note contradictions and solve them.

This year some important reform measures will be adopted. This means that we will issue several documents on reform of enterprise management such as employment of contract workers in state enterprises, dismissal of undisciplined workers, and providing insurance for job-awaiting workers of bankrupt enterprises. All these are major reform measures with regard to the labor system. We must make adequate preparations for introduction of these measures. [passage omitted]

3. Make the New Structure Play a Leading Role

The co-existence between the new and old structure, the replacement of the old structure by the new, and the transit from the old structure to the new are regarded as the most conspicuous characteristics in the current reform of the economic structure. At present, two operational mechanisms, two price systems, two managerial forms, and two organizational structures co-exist. [passage omitted]

In developing the commodity economy, it is hard to avoid spontaneity and blindness. How should we reduce blindness through planning and administrative measures? The methods that we have adopted are still not perfect. At present the government exercises indirect control through pricing, taxation, offering subsidies, and financial measures. However, China still does not have adequate experience in exercising effective macrocontrol and making rational use of micro-mechanisms.

I. 22 Aug 86

K 10

CHINA
PRC NATIONAL AFFAIRS

What are the prospects for the transformation of the old structure into the new? First we must realize the necessity of their co-existence and the difficulty and complexity of transforming the old structure into the new, then we must see the bright prospects. We must make efforts to fully exploit the leading role of the new structure in economic operation. The world places great hopes in China's reform, because reform has become a trend in socialist countries. China's economy is particularly prominent in the world because it is in a developmental stage, China's market is wide, because Chinese leaders are firm in reform.

PROMOTION OF PROFITS FOR FOREIGN INVESTORS URGED

OW141200 Beijing XINHUA in English 1153 GMT 14 Aug 86

[Text] Beijing, August 14 (XINHUA) -- The State Council, China's highest governing body, has called for work to help foreign investors to produce at relatively low cost so that their products will be competitive on the world market.

This was disclosed in a front-page commentary in today's edition of the newspaper, INTERNATIONAL BUSINESS, which operates under the Ministry of Foreign Economic Relations and Trade.

Accompanying the commentary, "Create Conditions To Help Foreign Investors Make Profits" are news reports about Dalian's cutting back on labor and other fees for enterprises using foreign capital, and Shanghai's simplifying procedures for approving such enterprises.

"China's greatest advantage in attracting foreign investment lies in low fees for investors," it said. "And this will become a disadvantage if the fees charged are as high as in other countries."

"It is China's hope that enterprises using foreign capital will export more of their products," it said. "And we need to create the conditions necessary for achieving this purpose."

The paper criticized those units which bleed such enterprises whenever it is possible, thus causing their costs to rise. "That being the case, who will invest in China?" it asked.

The paper attributed this state of affairs to what is called "small production mentality", which stresses immediate interests without looking into the overall situation of the nation's economic construction.

LOCALITIES URGED TO STOP BUILDING OUTSIDE PLAN

OW220116 Beijing XINHUA in English 0103 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Local investment in capital construction is expanding, despite the central government's call to retrench investment outside the state plan, economists here point out.

The latest statistics released by the State Statistics Bureau show that the capital construction investment outside the state plan in the first seven months amounted to 4.4 billion yuan.

This breaks down to 3.38 billion yuan in the first six months, accounting for 10 percent of the total investment in the same period, and one billion yuan last month. Such a tendency is continuing.

The economists urged localities to exert more efforts to halt and postpone unauthorized building schemes to ensure the smooth-sailing of the reform and stabilize the national economy.

Early this year, the state stipulated that all capital construction investments must be brought into line with the state plan except primary and middle schools. Construction of schools in the first seven months cost only 600 million yuan, the economists said.

Departments of planning, statistics and audit, and banks are urged to strengthen examination and supervision, and impose sanctions on those who violate the state's stipulations, if necessary.

ECONOMIC DEVELOPMENT IN POOR AREAS PROGRESSES

OW171058 Beijing XINHUA Domestic Service in Chinese 1400 GMT 14 Aug 86

[By reporters Wang Yunfeng, Wang Manchang, and Liu Jun]

[Excerpts] Yinchuan, 14 Aug (XINHUA) -- The first national academic seminar on poor areas' economic and cultural development was recently held in Guyuan County of Ningxia Hui Autonomous Region and Dingxi County of Gansu Province. Some 250 delegates from the central authorities and China's 14 provinces (regions) brought data on the current situation of the 14 impoverished areas. The information shows that China's poor counties have been reduced by 15 percent, and the population falling under the poverty category (per capita income under 150 yuan and per capita grain consumption under 400 jin) has been reduced by 17 percent, or from 70 million to 60 million.

The delegates maintained that China's work to help the poor has entered a new phase of enhancing internal economic vitality.

-- The guiding ideology of helping the poor has undergone a fundamental change. [passage omitted] In recent years, on the basis of reviewing past experiences and lessons, both the central and the local authorities have moved from merely providing relief to the poor areas to enhancing the internal economic vitality of and supporting the development of commodity production by altering the ecological and production conditions. Except for a small portion of relief funds used to help calamity and disaster victims, most of the funds have gone to production investment and to acquire personnel and technology.

-- Readjusting the production structure in the poor areas has achieved initial success. [passage omitted]

Currently, China's 14 poor areas have basically completed the comprehensive survey of agricultural and natural resources and the work of agricultural zoning. The Taihangshan mountainous area in Hebei Province, with help from the Hebei Agricultural College and other academic and scientific research units, have rationally exploited and utilized its long untouched resources. Peasants' income thus increased four times in 4 years; per capita income in 200 experimental localities reached more than 400 yuan, exceeding the national average.

NATIONWIDE POWER GRID PLANNED BY EARLY 1990's

OW151142 Beijing XINHUA in English 1123 GMT 15 Aug 86

[Text] Beijing, August 15 (XINHUA) — China will have a nation-wide integrated power grid with an installed generating capacity of more than 120,000 megawatts by the early 1990's, which will be one of the largest nation-wide power grids in the world, two Chinese specialists said here today.

In their paper to an international symposium on the automatic control of power systems and of power plants, He Dayu and Fu Shutu, senior engineers of the Electric Power Research Institute under the Chinese Ministry of Water Resources and Electric Power, stated: "To ensure a safety and economical operation of such a large integrated power system, it is necessary to modernize the country's present automatic dispatching system of power grids and of power plants."

According to them, China has established 25 large, medium-sized and small dispatching centers. The north China, east China and northeast China major power grids have realized security monitoring.

But, apart from the 25 power grid dispatching system which have been modernized to varying degrees, most of the control centers in China have to rely on the telephone and limited information from the dynamic mapboard to operate their systems.

"All these control centers should be modernized, and the sooner the better. Priority should be given to the country's seven major power grids -- the northeast China, north China, east China, central China, northwest China, and south China grids," they noted.

The serving areas of most of the seven grids are China's economically developed areas which are short of power supply at present, they added.

The country's basic automation of the power systems and plants is backward and the basic equipment is poor in quality, they pointed out, adding that the technical skill of the operating crew of the power systems and plants needs to be improved.

The automation of the power systems and plants may help improve the economic performance of their operations, they stressed. If automation of dispatching and control is introduced to all the country's thermal power plants, China would be able to save an equivalent of 1.5 million tons of coal a year and reduce the economic losses caused by accidents.

They suggested that from now on, all the newly built power plants should have automatic control, and active efforts should be made to improve and upgrade the existing basic equipment in addition to concrete measures for more training of power systems and plants staff.

The technical upgrading of the country's power systems and plants has been an important part of China's program to improve economic performance by transforming the existing enterprises.

The automation of the power grid and plant dispatching and control has been listed as a key project in the development of the country's electronics industry.

AMNESTY PERIOD ENDS; LAWBREAKERS SURRENDER

OW201120 Beijing XINHUA in English 1109 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Several thousand lawbreakers had surrendered to the police here by today, the last day of a two-month amnesty period.

The statistical work is yet to be completed, a spokesman for the Beijing Municipal Public Security Bureau told XINHUA, adding that most are theft cases.

The bureau announced leniency for self-confessed criminals who surrendered within the period in an effort to check a rising crime rate earlier this year, which the spokesman attributed to increased mobility of population and property.

Some 300 criminals who gave themselves up in the amnesty period have already had their cases dealt with and been given lenient treatment according to law, the spokesman said.

As a result, the city's reported criminal cases in June dropped by 6.4 percent from the number in May and the cases in July again dropped 20.2 percent compared with June, according to the official.

Similar actions have also been taken in Shanghai and Tianjin, as well as in six provinces and autonomous regions, resulting in more than 62,000 confessions, according to earlier report.

China now has a crime rate of 0.053 percent of population, he said; theft cases account for about 70 to 80 percent of the total reported.

JINGJI RIBAO REASSURES FOREIGN INVESTORS

HK200853 Beijing JINGJI RIBAO in Chinese 13 Aug 86 p 1

[Editorial: "We Urge Foreign Entrepreneurs To Feel Relieved and Invest"]

[Text] At present, some foreign entrepreneurs and financiers bear a certain worry about investing in our country and fear that the current stipulations of encouraging investment in China in terms of taxation and law will change. This kind of worry is unnecessary. Our country's general policy of opening up the outside world as well as the policy of encouraging foreign investment will not change. Of course, just like the law in any country, the Chinese foreign-related law on taxation also needs a process of revision, supplement, and constant improvement. Nevertheless, this revision and supplement will only further facilitate the absorption of foreign investment, the introduction of technology, and the profit-making undertakings invested by foreign entrepreneurs and financiers in our country. This is beyond any doubt.

The current foreign-related law of taxation in our country embodies the national economic policy of opening up to outside world and fully implements the principles of safeguarding the national rights and interests, imposing light taxes, adopting really preferential policies, and simplifying procedures. Of the current over 20 taxes in the whole country, only 5 or 6 are applicable to foreign-related taxation, including enterprise income tax and industrial and commercial consolidated tax. Since 1980, the state has promulgated three foreign-related tax laws in succession. According to these relevant laws and regulations, the tax rates imposed on foreign investors for their direct investment in enterprises in our country are not high. The income tax rate for enterprises jointly owned and run by China and foreign businessmen is 30 percent or 33 percent if the local income tax is also included. However the income tax on foreign enterprises is assessed at a 5-level progressive rate for the parts in excess of a specific amount of taxable income, ranging from 20 to 40 percent. In addition, a local income tax of 10 percent of the same taxable income is levied. Therefore, foreign investors enjoy not only lower tax rates than those for domestic enterprises, but also many tax reductions and tax-free preferential treatments. Our country has also adopted measures like reducing or exempting enterprise income tax at regular intervals, allowing expediting depreciation, and so on, to encourage foreign businessmen to invest in China. Newly established joint ventures; low-profit joint ventures engaging in agriculture, forestry, animal husbandry, and deep-well extraction of minerals like coal, and so on; and enterprises solely owned by foreign businessmen are all entitled to the preferential treatment of reducing or exempting their income taxes within a given period of time. As for foreign organizations that have no establishments in China but provide our country with capital or technology, a 20 percent income tax is levied on the income obtained by them from dividends, interest, and royalties. Being the final tax, it is withheld by the paying unit in advance of payment. In order to encourage foreign companies, enterprises, and other economic organizations to provide our country with new technology and techniques as well as advanced scientific and technological achievements, preferential treatment is also given to the income from technical know-how. Income from loans extended to the state banks in our country by foreign banks at a daily interest rate normal among international banks should be exempted from income tax.

Our country has not only implemented the principle of imposing light tax on enterprises owned by foreign businessmen and giving them really preferential treatment in taxation but also correspondingly enacted many regulations concerning tax reduction and exemption for foreign investments in special economic zones and regions opening up to the outside world. The number of these preferential treatments and the scope they cover are all unprecedented.

In our country, the Constitution says that the legal rights and interests of investors should be protected by law. Trust is the basis for cooperation, and law is the guarantee for cooperation. Foreign entrepreneurs should feel relieved and boldly make investments and establish enterprises in China.

OFFICIAL ON FREEDOM OF RELIGIOUS BELIEF

OW211364 Beijing XINHUA in English 1339 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- Freedom of religious belief is a long-lasting and fundamental policy of the Chinese Communist Party and government, and a democratic right the Chinese people enjoy, Jiang Ping, advisor to the United Front Work Department of the Chinese Communist Party Central Committee, said here today.

I. 22 Aug 86

K 15

CHINA
PRC NATIONAL AFFAIRS

Jiang was speaking at a tea party held by his department and the Religious Affairs Bureau under the State Council for the convening of the Fourth National Christian Conference, which opened last Saturday.

Jiang noted that one of the important aspects of the political system reform, which is on the agenda, is to further improve socialist democracy.

"Therefore, we must unwaveringly carry out this policy, and respect and protect the democratic right of the people. Any practice which runs against this policy must be corrected." Jiang stressed.

He asked religious affairs departments of the government at various levels to respect the rights of the "three-self" (self-administering, self-supporting and self-propagating) patriotic committees and the church, and help them carry out their religious affairs within the limits permitted by law.

Bishop Ding Guangxun, chairman of the "Three-Self" Patriotic Committee of the Protestant Churches in China, said that Christianity has developed quickly in China over the past few years.

There are more Christians in the country than ever, and the church itself is more united than ever, he noted.

He said that Chinese Christians will continue to contribute to the country's socialist modernization program.

China has three million Christians and 6,000 clergymen, according to earlier reports.

More than 200 delegates to the Christian conference attended the tea party.

ZHOU YANG 'HUMANITARIANISM' ARTICLE REASSESSED

HK201144 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1250 GMT 18 Aug 86

[Report: "A Shanghai Paper Makes a Reassessment of Zhou Yang's Theses on 'Alienation' and Humanitarianism"]

[Text] Shanghai, 18 Aug (ZHONGGUO XINWEN SHE) -- Zhou Yang's article entitled "An Exploration on Several Marxist Theoretical Problems," which was reproached 2 years ago, has been reassessed here today.

Shanghai's WEN HUI BAO published on its second page today Gu Xiang's article entitled "Voice of the Contemporary Intellectuals -- Zhou Yang's Recent Works." The article says: "Zhou Yang's special report 'An Exploration on Several Marxist Theoretical Problems' he made at an academic symposium in 1983 in celebration of the centenary of the death of Marx is a theoretical article which criticizes the 'leftist' ideological and political line over the last 30 years. It also provides theoretical bases for reforms in various trades and undertakings in the urban and rural areas. It is a creative Marxist article."

I. 22 Aug 86

K 16

CHINA
PRC NATIONAL AFFAIRS

The article says: "An equal attitude toward the writer and well-meaning discussions and criticism on his viewpoints are acceptable to him. Even though the writer's viewpoints are not mature, this should not affect the value of his article."

The article maintains that differences of opinion on the above problems are normal but the Zhou Yang should not have been reproached because of the difference between his proposition (Marxist humanitarianism) and Mao Zedong's proposition (revolutionary humanitarianism). "Of course, nor is there any reason to criticize others' proposition of Marxist humanitarianism or proletarian humanitarianism as 'heresy.'"

In the last part of the article, Gu Xiang reveals his recent meeting with Zhou Yang by saying: "Before writing this article, I once again visited Comrade Zhou Yang in hospital. He was very thin and wore a dull expression. Before his sickbed, we had nothing to say." Gu Xiang says in his article: "Seeing Comrade Zhou Yang tortured by a lingering sickness, I could not help feeling grieved and indignant." Zhou Yang "is once again suffering spiritual and physical torture in his pursuit of truth."

PROPAGANDA DEPARTMENT ON AUTHORITY, PRESS

OW211628 Beijing XINHUA in English 1526 GMT 21 Aug 86

["Press Should Have Right To Decide What To Be Published" -- XINHUA headline]

[Text] Beijing, August 21 (XINHUA) -- A senior Communist Party Official has urged more authority for the press to decide what to publish.

Teng Teng, deputy head of the Propaganda Department of the Chinese Communist Party Central Committee, said at a recent meeting that party committees at various levels should improve their leadership and give newspaper offices a free hand in news reform.

He was speaking at a seven-day national conference in Harbin, capital of Heilongjiang Province, which closed August 15 and was attended by editors-in-chief of provincial newspapers.

Teng said, influenced by the old ideas and modes, some party committees and leaders even monopolize the newspapers.

A number of newspapers have taken one-sided approaches to their function of being the mouthpiece and guide of the party, and fill up their pages with stories of meetings. As a result, their newspaper are not attractive.

Participants at the conference agreed with the need to create a lenient and harmonious atmosphere to encourage people to regard newspapers as good teachers and helpful friends of the masses.

WAN LI'S SPEECH AT MINORITY SPORTS GAMES

OW102117 Beijing XINHUA Domestic Service in Chinese 0624 GMT 10 Aug 86

[Text] Urumqi, 10 Aug (XINHUA) -- The following is the text of the speech delivered by Wan Li, member of the Political Bureau of the CPC Central Committee, vice premier, and chairman of the Presidium of the Third National Minority Traditional Sports Games, at the opening ceremony of the games.

Comrades:

The Third National Minority Nationality Traditional Sports games ceremoniously opened today. It is another magnificent sports meet as well as a grand gathering of national unity. On behalf of the CPC Central Committee and the State Council, I extend warm congratulations to the games and cordial greetings to the athletes, coaches, and delegates of various nationalities and to all other comrades here today.

Comrades, traditional sports are the precious cultural heritage of Chinese minority nationalities and party of China's sports cause. Promoting these sports is the wish of the people of all nationalities. Numerous competitive events will be held among the minority athletes, and colorful traditional sports will be demonstrated at the games. This signifies the development of minority nationalities' sports. The CPC Central Committee and the State Council are extremely pleased to see such a development. We hope that all regions and departments concerned will attach importance to the traditional nationality sports and actively promote their development so as to better the people's physique, inspire their spirit, and contribute to the building of the socialist material and spiritual civilization in the nationality regions.

Comrades, during the sports meet comrades of all nationalities from all parts of the country will joyfully get together with the people of various nationalities in Xinjiang. The gathering vividly reflects the great unity among our various nationalities and provides good opportunities for the athletes and people of different nationalities to learn from each other. Great national unity guarantees the success of our cause and constitutes a prerequisite for reform and China's revitalization. We hope that everyone will work hard to make this sports meet a grand gathering of great national unity and to make new contributions to national unity, to the economic, cultural, and educational development in the minority regions, and to the improvement of the Chinese people's standards, and to the socialist modernization of our great motherland. I wish the games complete success!

WAN LI PARTICIPATES IN MINORITY SPORTS GALA

OW51112 Beijing XINHUA in English 1046 GMT 15 Aug 86

[Text] Urumqi, August 15 (XINHUA) -- Wan Li, vice premier of the Chinese State Council, took part in a gala get-together at the Third Chinese National Minority Nationality Traditional Sports Games here today. 3,000-plus minority delegates and athletes had a day off from competition to gather in Nanshan, a grazing land 60 kilometers away from here on the north slopes of the Tianshan Mountains. Wan Li joined the minority athletes in a Xinjiang Uygur-Style dance after the artists of the Xinjiang Uygur Autonomous Region's song and dance ensemble and athletes of some 20 ethnic minorities brought out their best performance. The vice-premier participated in the opening ceremony and watched some of the competitions of the current national ethnic minorities sports games which feature seven events and 115 exhibition events.

WAN LI MEETS ATHLETES TO SEOUL ASIAN GAMES

OW221024 Beijing XINHUA in English 0807 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) — Chinese Vice-Premier Wan Li met here this afternoon with athletes, coaches and referees to the Tenth Asiad that will open on September 20 through October 5 in Seoul, and the Chinese team to the Tenth World Women Volleyball Championship scheduled to run from September 2 to 13 in Prague.

He encouraged Chinese athletes to display sportsmanship and win more gold medals for China at the Seoul games.

"I hope I'll take pictures with you when you return from Seoul with gold medals," he said in a jocular manner.

Present on the occasion were Xi Zhongxun, honorary president of the Chinese Badminton Association; Yang Shangkun, honorary president of the Chinese Table Tennis Association; Song Renqiong, honorary president of the Chinese Volleyball Association; and Yu Qiuli, honorary president of the Chinese Basketball Association.

Li Menghua, minister in charge of the Chinese Physical Culture and Sports Commission, and Yuan Weimin, leader of the Chinese Sports Delegation to the Tenth Asiad, were also on hand.

STATE COUNCIL CONGRATULATES DAQING COMPLEX

HK111340 Beijing RENMIN RIBAO in Chinese 5 Aug 86 p 1

[Report: "State Council Sends Message Greeting Inauguration of the First-Phase Ethylene Project of the Daqing Petrochemical Complex"]

[Text] To the Daqing city people's government, Daqing petrochemical complex, headquarters of the Daqing ethylene project, and engineers, workers, cadres, and comrades who took part in the 300,000-ton ethylene project and light hydrocarbon collection project, care of the Heilongjiang provincial people's government and the China National Petrochemical Corporation:

The Daqing 300,000-ton ethylene project is one of China's primary projects and China's first large petrochemical complex which relies on light hydrocarbon from oilfields as its main raw materials. The completion and inauguration of the first-phase work of the Daqing ethylene project symbolizes a new success in China's modernization program. The completion of this project is significant in terms of expediting China's pace of petrochemical development, providing high quality synthetic materials for the national economy, and meeting demands concerning the people's livelihood, both urban and rural.

With the support of the people throughout China, the localities concerned, and departments concerned, workers of the Daqing 300,000-ton ethylene project have carried forward the Daqing spirit and integrated a high level of revolutionary spirit with their strict and scientific attitude. Fearing no harsh weather, they overcame difficulties and problems, and by meticulous organization and work, they have successfully fulfilled the task of construction, ensuring that the first-phase work was completed on time.

[paragraph continues]

The State Council expresses warm congratulations and sincere appreciation to the project's staff of engineers, workers, and cadres! It expresses heartfelt thanks to the foreign specialists and friends who took part in the work.

Following the inauguration of the first-phase work of the Daqing 300,000-ton ethylene project, the work of the second phase has been started. The work in the future will be more arduous. The State Council hopes that you will guard against arrogance and rashness, work hard, and continue to make innovations. On the good foundation of the first-phase work, it is hoped that you will make persistent efforts and do well in the second-phase work by upholding high standards, strict demands, high quality, and high efficiency, so as to make new and greater contributions to China's socialist modernizations.

[Signed] The PRC State Council 3 August 1986

QIAO SHI INSPECTS FLOOD IN HEILONGJIANG

SK220504 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Text] On behalf of the party Central Committee and the State Council, Qiao Shi, member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee, and vice premier of the State Council, came to Heilongjiang Province on 21 August to extend his sincere solicitude to the vast number of cadres, the masses, PLA men, and the commanders and fighters of the armed police forces who are bravely combating floods and conducting rescue work in the province. After arriving in Harbin on the afternoon of 21 August, Vice Premier Qiao Shi inspected the flood situation of the Songhua Jiang and some dangerous and weak spots on the dam along the Harbin section of the Songhua Jiang, in the company of Sun Weiben, Hou Jie, Zhou Wenhua, Bai Jingfu, Huang Feng, Gong Benyan, and other party and government leaders of the province and Harbin City.

Vice Premier Qiao Shi said: This year Heilongjiang Province has been hit by catastrophical floods, and the soldiers and people throughout the province are fighting the floods. Several tens of thousands of soldiers and civilians are standing fast on the embankments to safeguard them. I hope that they will heighten their vigilance and work ceaselessly and unremittingly in order to ensure that no danger will come to Harbin. All localities in the province should strive to win victory in antiflood and rescue work. He also said: At present we should focus our efforts on adopting some measures to reinforce dams. Meanwhile, we should pay attention to effecting permanent control over rivers. From now on, we should combine dike construction with urban construction.

EARTHQUAKE HITS 'SPARSELY POPULATED' AREA

OW211202 Beijing XINHUA in English 1153 GMT 21 Aug 86

[Text] Beijing, August 22 (XINHUA) -- An earthquake, measured at 6.7 magnitude on the richter scale, was monitored this morning in the Tanggula Range linking Qinghai Province and the Tibet Autonomous Region, the State Seismological Bureau announced. It was detected by China's earthquake monitoring network at 0623 Beijing summer time, its position being 33.9 degrees north latitude and 90.7 degrees east longitude. The area is sparsely populated, and so far, no damage to life or property has been reported. The State Seismological Bureau and provincial and regional governments are closely watching the development of the earthquake, according to a bureau official.

I. 22 Aug 86

K 20

CHINA
PRC NATIONAL AFFAIRS

PLA TO REFORM TITLES FOR TECHNICAL PERSONNEL

HK190251 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 4

[Report: "China's Army To Reform Assessment of Position Titles"]

[Text] According to a decision of the Central Military Commission, the PLA will reform the assessment of position titles and appointment system for technical personnel. The all-army work conference on reforming position titles ended in Beijing on 16 August, and made some arrangements for the coming reform in this respect.

Adopting the appointment system for technical personnel is a major task for reform of the cadre management system of the PLA. It is reported that technical positions will be set up in light of actual needs, with definite obligations and necessary conditions for performance of these obligations. These positions are not lifetime and general positions. They are only recognized by the units which invite or appoint such personnel. When one is transferred to another unit, one's position may be changed in light of his personal situation and the needs of his work. In practicing the job assignment system for technical personnel, it is necessary to set a quota for the general establishment of each unit in light of the needs of work and to set a rational ratio between various technical positions at various levels. Based on this and approved by the assessment committee, qualified technical personnel will be appointed by senior army and political officers. In practicing the job appointment system, some technical personnel may not be able to remain at their original units due to the set quotas. It is necessary to encourage them to work in other units where they are more needed, so that their specialities and roles may be brought into full play and the rational floating of personnel may be promoted.

Since last May, 43 units in the higher technological institutions, the scientific research units, and public health units have been selected to experiment with the reform. The situation regarding the experimental points shows that this system is conducive to overcoming the defects of the current technical cadres' management system and effectively implementing the system of personal responsibility for cadres.

This year, the work of reforming position titles will be carried out and the job appointment system for technical personnel will be implemented only in technological institutions, scientific research units, and public health units.

PARTY CIRCULAR ON LESSON OF SHANGHAI BRIBERY

OW170105 Beijing XINHUA in English 0032 GMT 17 Aug 86

["Party Circular Calls on Members To Draw Lessons From Bribery Case" -- XINHUA headline]

[Text] Beijing, August 17 (XINHUA) -- The Chinese Communist Party Discipline Inspection Commission issued a circular recently, calling on all party members to draw lessons from the 30,000-yuan bribery case in Shanghai.

The circular says that all party members should work selflessly for the public interest and abide by party discipline and the state law, and they should, at all times, guard against greed, eschewing personal gain and privilege.

Yu Tiemin, former deputy director of the general office of the Shanghai Municipal Communist Party Committee, was expelled from the party and given a life prison sentence for accepting more than 30,000 yuan (8,100 U.S. dollars) in bribes.

The circular calls Yu a typical example of a Communist Party member seeking personal gain by abusing his powers. He received bribes and exerted pressure to force a foreign trade corporation to buy overpriced steel billets from a Hong Kong businessman. He also helped four people receive unauthorized exit visas in exchange for a bribe of 2,100 yuan.

Decadent capitalist ideas, the circular explains, corroded his soul and put him into the trap of money, making him extremely money-conscious and keen to seek personal gain.

Yu is not the sole example, the circular says. Facts over the past few years show that some other party members and cadres have lost their bearings on the issue of "power and money".

All party members, especially those holding leading posts, should remember that the "power" in their hands should be wielded in the service of the people and at no time should they make it a tool for seeking their personal interests, the circular says.

It notes that the open policy has raised a new subject of study and posed a new test for party members on how to consciously guard against corrosion by decadent capitalist ideas and how to maintain their color as communists. The overwhelming majority of party members and cadres have stood the test, except for a few who have fallen victims to money and material temptations, the circular says.

Yu's case also shows the necessity for the party to persist in the principle of exercising strict control and supervision over party members, the circular stresses.

It says that Yu participated little in party organizational activities and political study, totally losing his sense of observing party discipline and the law. On the other hand, his criminal activities did not arouse enough attention from the leading party organs, but instead, he was trusted and promoted.

All party organizations should know that to neglect supervision of party members is a grave act of dereliction and bureaucracy, the circular says. Some of the unhealthy tendencies and corruption within the party are closely associated with the phenomenon of party organizations neglecting supervision of their members.

The circular says that every party member should consciously put himself under the supervision and control of his party organization and no members should be allowed to defy party discipline or the law.

The circular urges all party organizations and party members to carry out criticism and self-criticism to nip mistakes in the bud. Once cases in violation of party discipline or the law are found, the party should persist in principle and seriously deal with them, without the slightest laxity, it urges.

LIAOWANG COMMENTATOR ATTACKS BUREAUCRATISM

HK150922 Beijing LIAOWANG in Chinese No 31, 4 Aug 86 p 4

[Commentator's Article: "Oppose Bureaucratism and Raise Work Efficiency"]

[Text] The economic reforms and socialist modernization call for a high degree of democracy, a complete legal system, and a highly effective socialist political structure. To achieve great efficiency, we must oppose bureaucratism.

Bureaucratism is a kind of political dust or dirt. It interferes with the flexible operation of our work organs, hampers the smooth progress of modernization, and suppresses the activism and creativity of the masses. Where there is bureaucratism in party and government organs and enterprises and institutions, work is inevitably marked by lethargy and lack of vitality and reform definitely stagnates. What is worse, there is a serious kind of bureaucratism, or what is called "killer bureaucratism." It is often the "twin" of "dereliction of duty." As such, it has developed to where it is injuring the interests of the state and the people. It must be checked by the enforcement of the law.

The main manifestations of bureaucratism generally boil down to the following: 1) Lording it over everyone and being divorced from reality; 2) showing no concern for the masses' woes; 3) vast, overstaffed organs; 4) the practice of passing documents from department to department, shifting responsibility onto others, and arguing back and forth; 5) indulging in exaggeration without getting any practical work done; 6) going in for ostentation and extravagance and assuming great airs; 7) ossified thinking and sticking to convention; 8) behaving in an arrogant and domineering official manner; 9) deceiving the upper levels and bullying the lower levels, and suppressing democracy; 10) perverting justice for bribes and engaging in malpractices for selfish ends.

Given all these defects, how can we talk about work efficiency, serving the people, and being responsible to the people! Of course, these manifestations by no means exist in every cadre and in every unit. But they are really a universal phenomenon in our political life. They have also produced an unhealthy effect among the masses in our country and in exchanges with the outside world. It cannot be treated lightly.

Bureaucratism is not inherent in socialist society. Our party and government have hitherto opposed bureaucratism. As early as in the period of the War of Resistance Against Japanese Aggression, the CPC Central Committee put forth the policy of streamlining administration, with such set goals as simplified administration, unity, efficiency, the practice of economy, and opposing bureaucratism. At the start of the First 5-year Plan, the CPC Central Committee issued directives calling for fighting bureaucratism, commandism, and defiance of law and discipline. In 1981, with the start of the Sixth 5-year Plan, the CPC Central Committee and the State Council once again put forth strategic policies calling for reforming organs, overcoming bureaucratism, and raising work efficiency. After the success of the October Revolution, Lenin cried many times; We must cure and purge bureaucratism 10 and even 100 times. He also concisely pointed out: If there is anything that can destroy us, it is bureaucratism.

Then where does bureaucratism come from? Fundamentally speaking, it is a phenomenon inherent in feudal society and capitalist society. Marx and Lenin clearly pointed out that the vast bourgeois bureaucratic organs, the standing army, and the state apparatus arising in the period after the collapse of feudal despotism are the very "parasitic organisms" breeding in the body of bourgeois society, blocking the pores of its life. Of course, our cadres have not emerged from a void. They have been influenced by the thinking of the old society. Some have been affected by bad bureaucratic habits. This is also a cause of bureaucratism. In addition, China has long practiced a highly centralized management system. This, combined with such factors as overstaffed and duplicate organs in party and government departments, enterprises, undertakings, and units; the lack of perfected administrative and economic rules and regulations and of perfected management systems; the lack of sufficiently explicit jurisdiction in duties and responsibilities; and so on have also had much to do with the development of bureaucratism.

Therefore, in opposing and eliminating bureaucratism, we must conduct education, get rid of the influence of the thinking of the old society, and change the ideological style of working personnel. Meanwhile, we must take effective measures to ensure the elimination of bureaucratism where the system is concerned.

Bureaucratism is a long-standing complicated historical phenomenon. Fighting bureaucratism calls for persevering in a large amount of work over a long period of time. Since the Chinese people have proved themselves capable of enduring several decades of hard struggle, removing the three big mountains weighing on them, and creating a new China, they can surely gradually cure the obdurate disease of bureaucratism left over from the old society, eliminate the corrosive influence, and bring into being the high level of socialist efficiency when fighting with the same will.

RUAN CHONGWU SPEAKS AT SOCIAL SECURITY MEETING

OW201358 Beijing XINHUA in English 1350 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Public security departments and social insurance businesses should cooperate with each other in the work of disaster prevention and relief, according to a proposal by a group of legal experts, insurance and public security officials.

At a meeting to discuss the relations between public security and social insurance business held recently, Ruan Chongwu, minister of public security, said the problem of social security concerns the whole of society. It needs cooperation from other departments concerned.

Security departments use legal measures to deal with crime to protect the interests of the people, while insurance departments provide the people with economic security.

These two departments should closely cooperate each other, Ruan said.

Participants at the meeting urged closer cooperation in disaster prevention and relief, accident investigation, assessment of losses in accidents and disasters and insurance legislation.

HONG KONG LOANS FOR MAINLAND INVESTMENT INCREASE

HK150714 Beijing XINHUA Hong Kong Service in Chinese 0759 GMT 14 Aug 86

[Report: "Sharp Increase in Hong Kong Bank Loans to Businessman Investing Money in Mainland"]

[Text] Hong Kong, 14 Aug (XINHUA) -- According to Hong Kong Government statistics, by the end of June this year, Hong Kong accumulated bank loans to businessmen for use on the mainland had reached HK\$11.06 billion, 1.542 billion more than those at the end of March and an increase of 16.2 percent. If compared with the end of June last year, the rate of increase was 333.68 percent.

The increase by a big margin in Hong Kong bank loans to businessmen for use on the mainland began in September last year. The fact that these loans are mainly used for investment on the mainland reflects the increased interest of Hong Kong and foreign businessmen in various kinds of mainland investment.

Of the Hong Kong bank loans used in the mainland, foreign currency accounts for 88.1 percent and Hong Kong currency account for less than 12 percent. This indicates that the investors need foreign currency to buy advanced equipment, technology, and designs to be invested on the mainland.

CENTRAL BANK OFFICIAL SPEAKS ON MONETARY REFORM

OW141723 Beijing XINHUA in English 1539 GMT 14 Aug 86

[Text] Changchun, August 14 (XINHUA) -- China will establish a rational interest system and a variety of monetary organizations, open monetary markets and strengthen exchange control in the next two years.

These are the tasks for monetary reforms outlined by Liu Hongru, vice-governor of the People's Bank of China, now the Central Bank. He told more than 250 experts, scholars and bankers attending the second annual meeting of the China monetary society here today that China's present economic reforms call for speedy changes in the monetary system, which is becoming the most important means to regulate and control the overall development of the economy as it is developing toward a money and credit economy.

-- To establish an effective, flexible and multi-tiered monetary control and regulatory system to stimulate the raising and use of social funds and keep a basic balance between total social supply and demand, and keep the currency value basically stable;

-- To establish a credit system with bank credit as the principal form, supplemented by multiple forms of credit facilities through multiple channels in order to stimulate the horizontal flow of funds and form a monetary center and monetary market suited to Chinese conditions;

-- To establish a socialist monetary system under the leadership of the central bank and with other banks as the main body supplemented by other monetary organizations, and to strengthen the functions of the central bank and make monetary organizations independent enterprises;

-- To establish a modern management system to streamline the management of all monetary organizations so that they will be well informed and economically efficient, and better able to provide good services for economic development.

In carrying out the reforms, the bank executive said it is important to change the credit planning and money management systems, and exercise control according to administrative levels and, through the flexible use of reserves against deposits, reissuance of loans and other regulatory means, make the central bank more flexible and effective in exercising control.

Monetary markets will be opened up step by step, he stressed. At present, efforts will be concentrated on setting up bank loan markets, commercial bill markets and short-term security markets, with emphasis on directing the present fund-raising activities onto the orbit of issuing stocks and securities.

In the next two years, he said, China will try out the circulation and transfer of securities. The annual meeting of the monetary society began August 11 and will end August 16.

ECONOMIC COORDINATION NETWORKS ESTABLISHED

OW201937 Beijing XINHUA Domestic Service in Chinese 1144 GMT 18 Aug 86

[Text] Beijing, 18 August (XINHUA) -- According to the State Economic Commission's statistics, 23 economic coordination networks, bridging different provinces and municipalities, have thus far been established in our country as a result of the efforts made to enhance lateral economic associations and ties. This indicates that economic coordination networks with cities as their centers are taking shape in our country. The cities that function as economic, banking, cultural, science and technology, and information centers are exerting more and more influence, showing increasing attraction, and playing an ever-growing role in promoting economic reform and in developing production.

The 23 economic coordination networks that have emerged in the course of promoting lateral economic associations have three characteristics. One, they were formed on the basis of objective economic relations and mutual needs and according to the principle of voluntariness, equality, and mutual benefit. Two, their regional ties are generally not rigid and are of an open type. Three, they all have an organization to take care of their work, such as a joint meeting or a coordination meeting held periodically to discuss questions concerning regional associations and cooperation. Some have set up permanent organizations to undertake the responsibility for day-to-day economic contacts between the localities concerned.

According to the State Economic Commission, the regional economic coordination networks can be classified into two general categories:

The first category is based on interprovincial associations. An example is the lateral association formed by Sichuan, Yunnan, and Guizhou Provinces, Guangxi Region, and Chongqing City in the southwest. For this association, they have set up an economic coordination committee.

The committee is not only a high-level consultative organization composed of party and government leaders from all the localities concerned, but it also breaks through the barriers between different departments and areas. In carrying out economic activities, it is not only able to act according to the economic laws, but can also use administrative means properly to put into effect the decisions reached by these five localities, take various steps to help their enterprises develop lateral economic associations, and promote the formation and development of more economic networks in various areas. Recently, Xizang has been admitted to this economic coordination committee as an additional formal member.

The second category is based on associations formed by various localities of adjacent provinces and municipalities. These associations are varied in form, each with its distinctive characteristics. Examples are the China Hinterland Economic and Technological Coordination Committee formed by 15 prefectures and cities in the contiguous areas of Shanxi, Hebei, Shandong, and Henan; the Huaihai Economic Zone Development Federation covering the contiguous areas of Jiangsu, Shandong, Henan, and Anhui with Xuzhou as the center; and the Joint Committee for Economic Associations composed by mayors of localities on the Bo Hai coast. These small-scale regional economic associations can exploit favorable natural conditions, including geographic location, and enjoy the support of the people. In addition, the localities concerned can have more economic contacts, and they are more or less at the same level of economic development. All these are conducive to the development of extensive economic cooperation, exploitation of favorable factors, and elimination of the effects of unfavorable factors, thus promoting the common economic growth of these localities. In the Huaihai Economic Zone, 20 joint coordination arrangements of various types and at various levels have been set up. These arrangements, which cover the work of economy, supply, science and technology, price information, banking information, food industry development, television education, joint highway operations, and many other fields, have brought a prosperous scene of economic development to the Huaihai Zone.

As public figures of the economic circle have pointed out, the economic coordination networks with cities as their centers will surely show an increasing vitality in breaking down the barriers between departments and regions, making reasonable arrangements for the use of productive forces, and promoting regional economic development and prosperity.

SERVICE ENTERPRISES REASSUME IMPORTANT ROLE

OW201148 Beijing XINHUA in English 0938 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- After dwindling for more than two decades, service enterprises are once again a major part of life in China.

The 3.5 million workers of China's 1.5 million service enterprises help feed, clothe and transport Chinese consumers as well offering bathing facilities, haircuts, repairs and photo processing, an official of the State Statistics Bureau said today. "But there still aren't enough service enterprises to meet the needs of the people," he said. "And too often the quality of service is not what it should be." Between 1952 and 1978, the number of service enterprises dropped from 450,000 to 90,000, according to the official. "At the end of 1980, there were only 2.6 service enterprises for every 10,000 residents," he said. "Now there are 14.7." Most of the service enterprises are collectively-owned, some are privately-owned and a few are state-owned.

NEW TRAINING PROGRAM FOR ENTERPRISE LEADERS

OW210606 Beijing XINHUA in English 0554 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- China has inaugurated a new training program for leaders of the country's 6,000 large and medium-sized enterprises, the "ECONOMIC DAILY" reported today. Leaders of the state-owned enterprises -- including directors (managers), party secretaries and chief engineers, economists, and accountants -- are required to attend a four-and-a-half month full-time management training course arranged according to different posts by the end of 1990, the paper said.

"Too many of the top people at state enterprises are ignorant of modern managerial methods," the paper said. "And too few of them know how to make decisions systematically or how to coordinate their units."

The decision to require the course was made by the State Economic Commission, China's top economic policy group, and the party's organization department, based on the result of examinations of factory directors and managers over the past few years, the paper said. The two groups decided that only graduates of the course will be entrusted with important posts and be eligible for promotion, it reported. Since 1983, the paper said, more than 100,000 leaders of smaller enterprises have taken courses and passed examinations on contemporary management in China.

FAST GROWTH OF INDIVIDUAL ECONOMY IN PAST DECADE

OW180510 Beijing XINHUA Domestic Service in Chinese 2331 GMT 17 Aug 86

[By reporter Chen Yun]

[Excerpts] Beijing, 18 Aug (XINHUA) -- Since it was no longer labeled as the "tool of capitalism," individual economy has become an indispensable part of China's economy after a decade of development.

Statistics of the State Administration for Industry and Commerce show that the number of individuals engaged in industrial and commercial undertakings has reached more than 17 million as compared to 100,000 or so at the end of the chaotic decade, representing an increase of 96 times. Individual businesses now account for 76.2 percent of the total number of businesses in society. [passage omitted]

The 17 million individual laborers have not cost the state a single fen of its outlay for job placement. In addition, they delivered 7.8 billion yuan of tax payments to the state in the years between 1981 and 1985. The prosperity of individual economy has spurred a rapid development of China's tertiary industry. It is estimated that 80 percent of these individual laborers are engaged in tertiary industry. Eighty percent of the individual business households are peasant households. [passage omitted]

Our party's General Secretary Hu Yaobang pointed out: All laborers who work hard and make contributions to the state and the people are honorable. Today, individual householders enjoy the same social and political status as the workers of state and collective enterprises. Some of them have become model workers. Others have been admitted into the party or the CYL. [passage omitted]

The problem now is that there has emerged a new situation in some localities where the number of individual business households is declining. Some comrades now feel that the individual economy has developed enough. Therefore, they have become less concerned and even gone so far as to begin to block its development. In view of this, the departments concerned are organizing for an investigation and study. At the same time, they call for a better understanding of the households of individual economy and stepped up guidance for these households.

WAN LI URGES DEVELOPING XINJIANG'S ECONOMY

OW201405 Beijing XINHUA Domestic Service in Chinese 1422 GMT 19 Aug 86

[By XINHUA reporter Wang Youfu and XINJIANG RIBAO reporter Tian Yumian]

[Text] Urumqi, 19 Aug (XINHUA) -- Wan Li, Member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, while inspecting work in Xinjiang Uygur Autonomous Region recently, pointed out: Xinjiang has made tremendous achievements and the people of all nationalities here are united. Under this political situation of stability and unity, Xinjiang should concentrate its efforts on developing its economy and promoting civilization in line with local specific conditions. Only when the economy is developed and the people have become well-to-do can the superiority of socialism in our country fully manifest itself.

Wan Li inspected various places in Xinjiang from 12 to 18 August while attending the Third National Minority People's Traditional Games. Accompanied by Wang Enmao, vice chairman of the CPPCC National Committee and chairman of the Xinjiang Uygur Autonomous Regional Advisory Commission, Song Hanliang, secretary of the Xinjiang Uygur Autonomous Regional Party Committee, and Tomur Dawamat, deputy secretary of the Autonomous Regional Party Committee and chairman of the Autonomous Regional Government, he successively inspected Kashi and Hotan Prefectures south of Tianshan, Ili Kazak Autonomous Prefecture and Altay Prefecture in northern Xinjiang, and Turpan Prefecture and Urumqi City in eastern Xinjiang. During his inspection tour, he met with local leading cadres of all nationalities, visited peasant and herdsman households of minority nationalities, inspected farms, water gates, and grasslands, and visited frontiersguards. He highly praised the good situation of unity among nationalities in Xinjiang in recent years.

During discussions with Xinjiang cadres of all nationalities, Wan Li pointed out: To develop the economy, it is first of all necessary to make arrangements according to the specific local conditions including technical, management, equipment, and personnel conditions, and take into consideration the marketability and transportation of products. "Good businesses make huge profits by reaching out for seas and rivers." "Reaching out" is an important condition for obtaining high economic benefits. Wan Li expressed the hope that Xinjiang develop its economy still more quickly and make further efforts to capitalize on its advantages by expanding the production of cotton, sugarbeet, cocoon silk, licorice root, fruits, and melons and developing transportation and communications facilities in order to pave the way for the people of all nationalities to become well-to-do.

Wan Li showed cordial concern for the living conditions of the people of all nationalities. Wherever he went, he attentively listened to rural cadres' opinions about the party Central Committee's policies, called on peasants' and herdsmen's families, familiarized himself with their production and livelihood conditions, and encouraged them to eliminate poverty and become well off. Wan Li said: The principle of the party is to enable the people of all nationalities to live well.

I. 22 Aug 86

K 29

CHINA
PRC NATIONAL AFFAIRS

The party Central Committee will be very happy if everybody is living comfortably. He expressed the hope that Communist Party members in pastoral areas take the lead in becoming rich through hard work. He urged all localities to do a good job in helping out peasants and herdsmen who are still comparatively poor.

Wan Li showed concern for the education and training of qualified personnel in Xinjiang. He carefully inspected schools. He stressed: We must rely on education for the economic and cultural development of nationality areas. Good development of education is of tremendous significance to improving the quality of the entire nation. It is imperative to run rural schools successfully. Students here should also learn to speak putonghua [Mandarin] in addition to learning their own native tongues. This will greatly benefit the development of all nationalities.

Speaking on the necessity for nationality areas to get more qualified persons, Wan Li said: Xinjiang should have a preferential policy to attract qualified personnel. Inland areas should uphold the spirit of supporting the frontier areas. However, those areas looking for qualified personnel should take care of these personnel's interests. It is said that many 1986 college graduates in various parts of the country have volunteered to work in Xinjiang. This is very good. All departments and all areas should support their aspiration.

PAINTER LI SHUANG RETURNS TO BEIJING FOR VISIT

HK210851 Hong Kong AFP in English 0647 GMT 21 Aug 86

[Excerpt] Beijing, Aug 21 (AFP) -- Controversial Chinese Painter Li Shuang returned home for a visit Thursday, saying she was keen to join a exhibition being planned by non-conformist artists here. "I am so happy to be back after such a long absence," said Miss Li, 30, at Beijing airport. She said that during her stay she wanted to participate in next month's show being organized by fellow members of the Stars, a group of non-conformist artists formed in 1979 amidst dissident class for more democracy in China.

In September 1981 Miss Li was at the center of a diplomatic incident between Beijing and Paris when she was arrested shortly before she was to marry French diplomat Emmanuel Bellefroid.

She was sentenced to two years of "re-education through work" for having lived illegally with Mr Bellefroid in his apartment, but was released in mid-1983 and allowed to go to France where she married him. Mr Bellefroid accompanied Miss Li here Thursday.

She indicated that the Chinese Embassy gave neither her nor Mr Bellefroid difficulty when they applied for entry visas, and that consular officials had been "extremely polite" with them.

"I have come to see all my family again and I am going to stay a month and a half. China is my country. I have also come to see the changes taking place and to meet young Chinese painters."

While in France Miss Li continued her work and organized several personal shows there and in the United States. [passage omitted]

FUJIAN LEADERS PAY VISITS TO COASTAL AREAS

HK201150 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1244 GMT 19 Aug 86

[Report: "Party, Government Leaders of Fujian Province Recently Visit Coastal Areas Again and Again"]

[Text] Fuzhou, 19 Aug (ZHONGGUO XINWEN SHE) -- Recently, party and government leaders of Fujian Province frequently visited coastal areas to carry out investigation in order to look for ways to do an even better job in implementing the open door policy and in reform.

Provincial CPC Secretary Chen Guangyi, provincial Deputy Secretary Jia Qinglin, provincial Vice Governor Cai Ninglin, and others drove to Changle County on 13 August and inspected the Fuzhou thermal power plant, a key construction project of the state which is underway, and the new "textile town," Jinfeng. They made a positive assessment on the Xiasha coastal holiday resort in Chengle, which has been newly built this year. Since this scenic spot opened for business a month ago, it has received more than 80,000 visitors from Hong Kong, Singapore, Japan, Holland, and various parts of China. Chen Guangyi asked the local government to encourage the peasants to run restaurants, hotels, shops, studios, and so on in order to solve the problem of insufficient service facilities there.

Jia Qinglin and officials of the provincial Aquatic Products Department, the Financial Department, and other departments went to the developing Luoyuanwan on 16 August to find out how things were proceeding in the construction of an aquatic products export base there. At present, Luoyuan County has invested 20 million yuan there to expand a farm for breeding prawns, fresh water fish, and Pacific oysters, and to build a large fry farm, feed plant, cold storage, and so on. Jia Qinglin discussed with the local people how to do a good job in making short- and long-term development plans.

In addition to the Fuzhou and Meizhouwan area investigation group led by Provincial Deputy Party Secretary Jia Qinglin and Vice Provincial Governor Cai Ninglin, two other investigation groups were also sent at the same time to Xiamen, Zhangzhou, and Quanzhou areas and coastal islands. Also participating in the investigation activities are Vice Provincial Governors Wang Yishi and Chen Binfan, and 48 other important officials of the provincial party and government departments.

The purpose of this trip of Fujian's party and government leaders is to sum up Fujian's experience in opening to the outside world and in reform in the past few years, to find out existing problems, and to explore ways for using special policies for Fujian formulated by the central authorities to make better use of foreign funds and funds of Overseas Chinese, to import technology and equipment, to increase exports, and to accelerate the development and construction of Fuzhou, Xiamen and Meizhouwan, and the triangular region in southern Fujian.

JIANGXI MEETING STRESSES REFORM OF LABOR SYSTEM

OW211245 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 19 Aug 86

[Excerpts] At a provincial meeting of directors of labor and personnel bureaus, Jiang Zhuping, member of the Standing Committee of the Jiangxi Provincial CPC Committee and vice governor of Jiangxi Province, stressed: Labor and personnel departments at all levels in the province should unify their thinking and deepen their understanding of reform of the labor system, fully understand the necessity and major contents of the reform, take correct steps to carry out the reform, and strengthen their leadership over the work in this area.

All sectors and departments concerned should strengthen cooperation among them in order to ensure that the reform is carried out decisively and steadily, that all practical work is carefully planned and properly directed, and that the reform will be a success.

The meeting was held in Jinggangshan from 12 to 18 August. Attending the meeting were directors of labor and personnel bureaus of various prefectures, cities, counties, and districts of the province; managers of various employment agencies; directors of labor and personnel departments of provincial level; and directions of labor and personnel sections of some units under the central organs in Jiangxi Province, totaling more than 300 people.

The meeting held a serious discussion on reform of the labor system, employment problems, and other issues, and the participants of the meeting unified their thinking and deepened their understanding of the issues discussed. The meeting also summed up and exchanged experience in employment and job placement work in Jiangxi's cities and towns. [passage omitted]

The meeting called on labor and personnel departments in all localities to persist in reforming the labor system in carrying out employment and job placement work in the second half of this year; to fully carry out the policy on providing jobs for the old, the middle-aged, and the young; and to strive to improve vocational training and further diversify the channels, ways, and means for providing employment in order to ensure the fulfillment and overfulfillment of the annual job placement plan set by the (?provincial) government and to create favorable conditions for carrying out next year's work.

SHANGHAI ENTERPRISE REFORMS IMPROVE MANAGEMENT

OW211145 Beijing XINHUA Domestic Service in Chinese 0033 GMT 20 Aug 86

[By reporters Xu Guangyao and Li Zhenghua]

[Excerpts] Shanghai, 20 Aug (XINHUA) -- More than 730 enterprises in Shanghai are carrying out the plant director's responsibility system. In these enterprises all party cadres, administrative personnel, and factory workers are devoting their efforts to "reforms" with the plant directors playing the "leading role." As a result, the enterprises are full of vigor and vitality. [passage omitted]

The plant director responsibility system does away with the old practice of the party committee being the core of the enterprise. Instead, a new practice has been established whereby the plant director exercises centralized leadership and assumes full responsibility for directing production, operations, and management. This makes it possible to give full play to the plant director's initiative and creativity. [passage omitted]

The implementation of the plant director's responsibility system has also enhanced the idea that production is the central task. Consequently, production management has been strengthened, and a new situation marked by effective instructions, quick decision, and high work efficiency has appeared in enterprises. [passage omitted]

With the institution of the plant director's responsibility system in enterprises, their party organizations have been relieved of routine administrative burdens, thus enabling them to concentrate on ideological and political work and to play a still better role in supervising and ensuring successful enterprise operations.

The party committees' work has thus been effectively improved and strengthened. Investigations conducted by the departments concerned reveal that now more responsible persons of the enterprise party organizations are exploring new ways of doing ideological and political work, holding heart-to-heart talks with staff and workers, considering how to train and recruit new party members from among outstanding intellectuals and backbone workers on the production forefront, and studying how to intensify their own ideological education. [passage omitted]

In addition, with the institution of the plant director's responsibility system, trade unions and congresses of staff and workers are now playing their roles to the full and the workers' position as masters of the enterprises has become more noticeable. Many enterprises have formulated detailed regulations governing the work of party organizations, administrative departments, and workers, further define the relationship between congresses of staff and workers on one hand and plant directors on the other, and devised effective measures for staff and workers to take part in democratic enterprise management in the form of "meetings for addressing interpellations to plant directors," "public opinion polls," and "democratic supervisory posts." [passage omitted]

WANG FANG AT MEETING ON ZHEJIANG MOUNTAIN ECONOMY

OW220303 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 20 Aug 86

[Text] A 5-day provincial conference on economic work in mountain areas concluded in Hangzhou today. Leaders of the provincial party committee and the provincial government Wang Fang, Xue Ju, Chen Fawen, Wu Minda, Shen Zulun, and Li Debao separately heard reports at the conference.

The conference pointed out: The cadres and masses should have a clearer understanding of the socialist commodity economy and be bold in engaging in the production and exchange of commodities. In so doing, they should face the world and brave the storm; they should gradually change their outmoded notions and foster market ideas, develop in various ways, provide services, and open to the outside world.

The conference held: In guiding economic construction in mountain areas, vigorous efforts should be made to solve problems in transportation and the circulation of commodities in order to create basic conditions for the production and exchange of commodities. At the same time, local advantages and disadvantages should be thoroughly analyzed so as to develop the mountain areas according to our actual conditions.

The conference called on various localities to persistently carry out economic structural reform in forestry and further improve the responsibility system in order to make lumber circulation smooth. Vigorous efforts should be made to readjust the production structure in forestry and to accelerate forestry development. At the same time, it is necessary to continue to step up to work of helping poverty-stricken areas in order to make it possible for such areas to eliminate poverty in 3 years. Leaders at various levels and all cadres working in mountain areas should cultivate a pioneering and realistic spirit and the spirit of being responsible to the people in these areas and help and lead them in changing their poverty and backwardness as quickly as possible.

GUANGDONG ISSUES NOTICE ON FOREIGN OFFICE HIRING

HK211444 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1241 GMT 20 Aug 86

[Report: "Guangdong Provincial Government Issues a 'Notice on the Procedure of Recruitment of Staff by Foreign, Hong Kong, and Macao Enterprises' Permanent Representative Offices in Guangdong Province"]

[Text] Guangzhou, 20 Aug (ZHONGGUO XINWEN SHE) -- The Guangdong provincial government today promulgated a "Notice on the Procedure of Recruitment of Staff by Foreign, Hong Kong, and Macao Enterprises' Permanent Representative Offices in Guangdong Province," which states that any foreign, Hong Kong, or Macao enterprise's permanent representative office in Guangdong Province which wants to recruit staff must apply to relevant departments for registration. It must fill in an application form and pay a service charge.

The "notice" stipulates that recruitment of staff or affairs concerning temporary labor service of the abovementioned offices shall be managed in a unified manner by the Guangdong Provincial Labor Bureau and shall be concretely handled by external labor service companies of the province, prefectures, cities, and various special economic zones. No other unit or individual is allowed to handle such business or provide such service.

The "notice" requires that staff recruited by the abovementioned offices on the mainland should sign labor service contracts with external labor service companies in various localities, and those who want to renew their contracts when they expire must go through renewal procedures and pay a service charge.

The payment for labor service, wages, welfare, labor insurance standard, and so on of the employed personnel shall be based on a unified standard formulated in accordance with the relevant state regulations.

The "notice" also requires that foreign, Hong Kong, and Macao enterprises' permanent representative offices which recruited staff on the mainland not in the manner stipulated in this "notice" shall go to relevant departments to go through the procedures accordingly within 2 months after the promulgation of this "notice."

GUANGDONG'S FOREIGN ENTERPRISES GRANTED LOANS

HK201200 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1243 GMT 19 Aug 86

[Report: "Guangdong's Enterprises With Foreign Investment Are Granted \$360 Million in Loans From the Bank of China" -- ZHONGGUO XINWEN SHE headline]

[Text] Qinghuangdao, 19 Aug (ZHONGGUO XINWEN SHE) -- Recently, (Wang Tingdong) Guangzhou Branch vice president of the Bank of China, said: The Bank of China granted more foreign exchange loans to Guangdong's Sino-foreign joint ventures, cooperative enterprises, and enterprises solely run by foreign businessmen than the total of foreign exchange loans granted to such enterprises in other parts of China.

At a recent national work conference on financing enterprises with foreign investment, (Wang Tingdong) told reporters that by the end of the first half of this year, the Bank of China has accumulatively granted to the enterprises \$360 million worth in loans in Guangdong. Fifty percent of the loans granted in Guangdong had been repaid and the balance, worth \$180 million, only accounted for 6 percent of the province's actual utilization of foreign capital, which totaled \$2.8 billion.

In Guangdong, there are about 4,000 enterprises operated with foreign investment, accounting for more than 50 percent of China's total number of these enterprises. Almost all of the 112 Guangdong branch organizations of the Bank of China engage in the business of granting loans to enterprises operated with foreign investment. Also, many offices of the branch handle the distribution and management of loans to these enterprises.

(Wang Tingdong) said that during the early days of opening up to the outside, Guangdong's foreign businessmen mainly invested in enterprises engaging in commerce, transport, and catering service industries. Judging from a long-term viewpoint, there were too many nonproductive projects and the situation was unfavorable for economic development in a coordinated way. Therefore, the bank has recently given emphatic support to industrial enterprises when granting loans to enterprises operated with foreign investment. Between 1981 and the end of 1985, the bank accumulatively granted \$120 million in foreign exchange loans to the industrial enterprises. For the sake of encouraging enterprises to expand exports and earn more foreign exchange, the Bank's Guangzhou branch granted in the first half of this year the loans to the newly opened 44 enterprises operated with foreign investment, of which 50 percent achieve a foreign exchange earning ratio of 35 to 50 percent and another 50 percent achieves a foreign exchange earning ratio to 51 to 100 percent. According to the statistics, the bank's Guangzhou Branch granted in recent years 75 foreign exchange capital loans, totalling more than \$51 million to joint ventures for importing technology and equipment which were of the advanced level in the world in the 1970's and early 1980's.

(Wang Tingdong) pointed out that in the course of granting loans to enterprises operated with foreign investment, there developed a situation in which work in imports and in construction were duplicated. This is because the supervision work was unable to catch up with the development and the work was not seriously dealt with. In the light of this situation, the bank's Guangzhou Branch strictly controlled last year the work of granting loans to such production projects as section aluminum, video and audio tapes, polyester fibre, and hotels. The results are quite good.

FORMER SHANTOU PUBLIC SECURITY HEAD IMPRISONED

HK211426 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1352 GMT 19 Aug 86

[Reporter: "Former Head of Public Security Department of Shantou Prefecture Is Sentenced to 4 Years' Imprisonment"]

[Text] Guangzhou, 19 Aug (ZHONGGUO XINWEN SHE) -- The Shantou City Intermediate People's Court, Guangdong Province, this morning sentenced Ruan Depu to 4 years' imprisonment according to law. Ruan was formerly vice chairman of the Political and Law Committee of the Shantou Prefectural CPC Committee and concurrently head of the Shantou Prefectural Public Security Department.

Ruan Depu is 63 years old. During the period from November 1974 to November 1981, he took advantage of his position and personally gave written approval or asked others to give approval to 33 applications for exit visas. In the course of doing so, he collaborated with his wife to take bribes in cash amounting to 2,500 yuan, and bribes in kind, including one 18-inch Sanyo color television set, one Model 1800 3-use audio complex, one Model 8585 radio-recorder, one Titoni men's automatic watch with calendar, one 10-gram gold necklace, one string of gold beads weighing 3 grams, and one medium-length overcoat.

The total value of these when converted into renminbi is 6,418 yuan. In accordance with the first paragraph of Article 185 and Article 22 of the "Criminal Law of the People's Republic of China," the Shantou City Intermediate People's Court sentenced Ruan Depu to 4 years' imprisonment and confiscated all the bribes, and sent them to the state treasury.

GUANGXI MEETING REVIEWS PERSONNEL WORK ISSUES

HK210221 Nanning Guangxi Regional Service in Mandarin 1000 GMT 20 Aug 86

[Excerpts] Station reporter (Liao Rufu) has learned from the regional meeting of personnel bureau directors which concluded yesterday that reforms of the cadre department system are now imperative. The future main task is to gradually institute the systems of hiring cadres and setting terms of office for cadres, and to organize a system for the exchange and rational mobility of cadres.

Beginning this year, the region will universally apply the hiring system when recruiting cadres for township and town organs, undertakings, and units. [passage omitted] The region will also apply the system of selecting and hiring enterprises cadres. [passage omitted] In light of work requirements, enterprises can select and hire cadres from among the workers. During their term of office, they will enjoy the pay and conditions of cadres at the corresponding level. After their term expires, they will revert to being workers and will no longer receive cadre pay and conditions.

The region will also practice on a trial basis the system of setting a term of office for leading cadres of state administrative organs. A hiring system will be implemented on a trial basis for cadres of middle grade and below. [passage omitted]

The term of office to be set for leading cadres of organs will in general be 3 years. The term of hire for middle-grade cadres will be basically the same as for leading cadres. Both of these systems are to be implemented on a trial basis. [passage omitted]

Chen Huiguang, Wei Chunshu, and Jin Baosheng, leading comrades of the party and government in the region, made speeches at the meeting, which concluded yesterday. Guo Xiquan, member of the Standing Committee of the regional party committee and director of the Organization Department, delivered a report entitled "Seriously do a good job in personnel work to meet the needs of reform."

POPULATION CONTROL SUCCEEDING IN SICHUAN

OW210321 Beijing XINHUA in English 0149 GMT 21 Aug 86

[Text] Chengdu, August 21 (XINHUA) -- Sichuan, China's most populous province, plans to keep its population under 107.2 million to 1990, and hold it to 120 million by the year 2000.

The population growth rate of the province increased at an average rate of 11 per 1,000 within five years, about 1.4 per 1,000 lower than the national figure, said Liu Chunfu, head of the Sichuan family planning group, today.

"To achieve this aim," Liu said, "the province will continue to carry out the present one-child-for-one-couple policy. Efforts should focus on rural areas, where 80 percent of the people live."

Sichuan had 101.88 million people in 1985, with a birth rate of 15 per 1,000, down from 40.72 per 1,000 in 1970, when family planning was introduced. The natural growth rate dropped to 8 per 1,000 from 31.2 per 1,000 during the same period, said Liu.

The Sichuan family planning group has invited economists, population experts and family planning workers to discuss concrete population-control measures for the province.

"However," Liu said, "the minority-nationality people living in the remote mountainous areas in this multinational province can have two children."

Traditional ideas have died out as the Sichuan people became better informed about birth control through 15 years of population-policy publicity. However, birth control is expected to remain a serious problem during the next thirteen years, said Liu. The local government encourages couples of child-bearing age to follow the policy of late marriage and birth-control.

CHONGQING PAPER REVIEWS INDUSTRIAL PROBLEM

HK210615 Chongqing CHONGQING RIBAO in Chinese 9 Aug 86 p 1

["Reporter's Commentary on Current Industrial Situation": "Continue To Display the Spirit of All-Out Effort, Get an Ever Tighter Grasp on Industrial Production"]

[Text] According to data released by the city Statistics Bureau, Chongqing did not do very well in fulfilling its July industrial production plans. Although the month showed 9.3 percent growth over the same month last year, there was a drop of 15.72 percent compared with June this year. This signal should attract the serious attention of leaders at all levels on the industrial front. The situation in August is even more serious, and unless tangible measures are adopted to reverse this situation, there will be tremendous difficulties in fulfilling the industrial production plans for this year.

Two points regarding the July decline merit attention: First, the decline covered a wide variety of sectors including the defense industry, petroleum, industry and communications, the construction commission, the financial system, and every district and county. The declines in a large number of enterprises exceeded 10 percent and were as much as 30 or 40 percent in a few cases. [paragraph continues]

The gratifying thing was that a number of key enterprises including the Chongqing iron and steel company and Sichuan vinalon plant, together with the city Communications Bureau, Shuangqiao district, and Rongchang County fulfilled their plans relatively well and maintained a momentum of continued growth.

July happens to be a month of searing heat in Chongqing, and there were also torrential rainstorms. Energy was in short supply, the shortages of raw materials increased, rapid changes took place in the markets, and the product mix did not suit the consumption structure and the market requirements. Urban and rural sales channels were blocked. Without doubt, these objective unfavorable factors inflicted direct losses and impacts on production, and it would be wrong to fail to acknowledge this.

The problem is that it is often subjective factors that people are prone to neglect. After an improvement in output in May and June, the leaders of some responsible departments and enterprises slackened their efforts and developed the idea of "taking a rest." They failed to get a tight grasp of production or to implement measures properly, with the result that certain contradictions and problems that had already been starkly revealed could not be solved in good time, and this led to a decline in production. This too has to be squarely faced.

What is past is past, but we must do better in the future. We must base our efforts on the present moment and seize the opportunity. The tasks facing us in the next few months are extremely arduous. Industrial output value at the end of July accounted for only 53.68 percent of the quota for the whole year, and we have to fulfill the remaining 46 percent in the next 5 months. Moreover, the weather is even hotter in August, and the shortages of energy and certain raw materials cannot be fundamentally resolved within a short time. Thus the conditions for organizing production are difficult. However, Chongqing has great potentials latent in its industrial production. At present output is on the upgrade and the conditions are favorable. The key lies in maintaining an excellent mental approach. At present, in order to boost output, we must continue to display the spirit of all-out effort we showed during the Red month of May, and do everything possible to make every minute and second count and to get an ever tighter grasp of things. We believe that in this way the situation will rapidly improve. The ideas that so long as the key elements in production are all in place, production will rise naturally, and the practice of sitting and waiting for conditions to improve instead of making subjective efforts are unrealistic and will only result in delays and still greater passivity.

Reform is a powerful stimulus for developing production. The heavier the tasks and the greater the difficulties, the more must we persevere in reform and promote and deepen it. The reason why reversals occurred in production in certain enterprises in July was precisely that they failed to persevere in reforms in the issues of distribution and the economic responsibility systems, but instead went back to the old road, thus hampering the masses' initiative. There is a lesson here. At present, in order to boost production and improve the enterprises' economic results, we must continue to get an unswerving grasp of reforms, perfect the complete set of reform measures, and improve the subjective controls. In particular we must get a good grasp of the complete sets of reform measures within the enterprises. We must go further in firming up the plant manager responsibility system and the various economic responsibility systems, protect the cadres' and masses' enthusiasm for reform, and stimulate the deepening of reform and the development of production. Many of the difficulties and problems currently being encountered in production can only be resolved through reform.

In order to promote production and develop it in a sustained and steady way, it is also necessary to provide careful guidance and organization and to do a sound job in helping the enterprises to resolve a number of problems. For instance, the present overstocking of products has become an outstanding contradiction affecting production and economic results; although some measures were taken in the previous period, no breakthrough was made in this "vicious circle," and it is necessary to do everything possible to expand sales and strive for some breakthrough. Certain other urgent problems should also be solved correspondingly.

XIZANG LEADERS HOLD FORUM WITH STATE ENERGY GROUP

HK191429 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Aug 86

[Text] On 17 August, regional people's government Chairman Doje Cering, Vice Chairmen Mao Rubai and Jyamco, and responsible comrades of relevant departments, bureaus, and commissions made reports to all members of the state's Xizang energy comprehensive investigation group and held a forum with them. They studied together the method to solve the problems of the shortage of energy in Xizang.

Comrade Mao Rubai first introduced the present state of Xizang's energy to the comrades of the state's Xizang energy comprehensive investigation group and at the same time informed them of Xizang's attitude toward the future exploitation of energy. He put forward specific views on hydraulic electrogenerating, geothermal power generation, generation by means of coal, and bulding a nuclear power station. Chairman Doje Cering also put forward views on other modes of generation.

The leading comrades of the state's Xizang energy comprehensive investigation group also expressed their desires to help Xizang solve the problems of energy and put forward their plan for exploiting and utilizing Xizang's energy. They also put forward views on bulding a nuclear power station for Xizang.

SUN WEIBEN AT HEILONGJIANG COOPERATION MEETING

SK220506 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 21 Aug 86

[Excerpts] The third northeast China economic and technological cooperation meeting opened at the Harbin Beifang Building this morning.

The meeting will sum up and exchange experiences gained in the past 2 years by conducting economic and technological cooperation, will discuss and solve the major problems cropping up in conducting economic cooperation, will further make the most of Northeast China's natural resources and economic and technological advantages, and will discuss the issue of developing long- and medium-term economic and technological cooperation projects according to the principle of making common progress on a mutually beneficial basis in order to widen the sphere of cooperation.

Attending the meeting were 600 people, including leading comrades of Liaoning, Jilin, and Heilongjiang Provinces and Nei Monggol Autonomous Region; and responsible persons of relevant departments, large factories and mines, and universities and colleges.

Du Xianzhong, secretary general of the Heilongjiang Provincial Government, presided over today's opening ceremony. Hou Jie, governor of the Heilongjiang provincial government, delivered an opening speech. [passage omitted]

Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, attended the opening ceremony. (Bai Zhenxing), deputy secretary general and concurrently head of (?the Northeast China Economic and Technological Cooperation Office), delivered a report to sum up the work done since the second northeast China economic and technological cooperation meeting. [passage omitted]

GAO DI SPEAKS ON JILIN PARTY RECTIFICATION

SK220714 Changchun Jilin Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Excerpt] To achieve success in the province's village-level party rectification, the provincial party committee has released a total of 400 office cadres from its departments, commission, bureaus, and offices, and will send these cadres to various localities to participate in village-level party rectification in the capacity of inspectors. From 14 to 21 August, the Party Rectification Office of the provincial party committee provided training for these cadres.

During the period of training, Comrade Gao Di made a speech on the current rural situation and on the province's village-level party rectification. Concerning the province's current rural situation, Comrade Gao Di said: In carrying out village-level party rectification, we should focus on consolidating and developing the excellent rural situation, accelerating reform in various fields, and accelerating the pace of the four modernizations. The province is one of the commodity grain bases of our country. Since 1982 the province's grain production has developed very quickly. Hit by serious floods and waterlogging last year, our province has been affected by more catastrophic floods and waterlogging this year. However, the province's current situation remains good.

Comrade Gao Di said: In view of the situation of the past 2 years, we can see that single-mindedly grasping grain production will lead to failure. We must strive to compensate for losses incurred in agriculture with industry and for the losses in grain with animal husbandry.

At the same time, we should be determined to readjust the agricultural production structure, and vigorously develop secondary and tertiary rural industries. In carrying out rural reform, we must focus our efforts on grasping industrial and sideline production and on developing town and township enterprises, based in ensuring a stable increase in grain output.

Concerning village-level party rectification, Comrade Gao Di said: Party rectification should facilitate the fulfillment of the general goal and task. In evaluating the achievement of party rectification, our judgement should be based on developing productive social forces. [passage omitted]

At the conclusion of his speech, Comrade Gao Di set expectations and demands for the cadres to be sent to various localities to participate in village-level party rectification. [passage omitted]

ARTICLE ON PROSPECTS FOR NEI MONGGOL ENERGY BASE

SK220802 Shenyang DONGBEI JINGJI BAO in Chinese No 7 12 Aug 86 p 1

[Text] The eastern part of Nei Monggol Autonomous Region has rich resources of brown coal, nonferrous metal, and building materials. Recently, to study issues of such regional strategic significance as how to accelerate the building of the energy base and stimulate the development of other industrial construction projects, the Northeast Economic Zone Planning Office and the Nei Monggol Autonomous Region have jointly held a forum in Tongliao on development groups of items in favor of building the energy base.

The forum was presided over by Feng Yingkui, deputy director of the Northeast Economic Zone Planning Office. Leading comrades of the Nei Monggol Regional Planning Commission, of the Hulun Buir League, the Xingan League, the Jirem League, and Chifeng City, and concerned comrades analyzed the situation and held that pooling together the superiority of the region's natural resources, organizing groups of construction projects of strategic significance under the unified state plan, and carrying out unified planning while simultaneously building the projects may help avoid the malpractices of creating barriers between different departments and regions, dislocations, and serious losses and waste. It may also help to open a new way for economic construction, which is characterized by small investment, speed, and high efficiency.

Through study, the forum put forward statements of intent: Based on building the Huolinhe coal mine, we should build a new energy base in the northeast region, with a focus on building two large-scale power plants in Huolinhe and the Horqin Right Banner, to stimulate eight other major construction projects in the eastern part of the Nei Monggol region, including expanding an iron and steel plant, the exploiting and smelting of nonferrous metal, comprehensively utilizing brown coal, and other new projects, innovations, and expansion projects for making chemical fertilizer, cement, glass, and glass products. These statements of intent will be further systematized by the Nei Monggol Regional Planning Commission, discussed by the leading departments concerned, and reported to the state for making policy decisions.

SHAANXI LEADERS SUPPORT PLANT MANAGER SYSTEM

HK210143 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 20 Aug 86

[Excerpts] (Wang Shuangxi), deputy secretary of the Weinan Prefectural CPC Committee and prefectural special commissioner, has taken a firm and clear-cut stand in supporting the reforms of (Jia Zhige), manager of the Heyang county electrical condenser plant, who had become the target of various censures.

(Jia Zhige) has persevered in reform in recent years. He has instituted economic responsibility systems and the contract labor recruitment system, and has established technical cooperation relations with more than 20 research units and tertiary education institutes throughout the country. New products have been developed, and the plant's economic results have showed marked improvement.. It has become a national advanced unit in its trade.

(Jia Zhige) has become the target of a variety of censures since the second half of last year. Some people negated the reform measures he had instituted in the plant. Some regarded the plant's proper activities in exchanges with other units as extravagance and waste. Some people wildly exaggerated certain shortcomings in the plant's capital outlay arrangements. Some even satirized (Jia Zhige) for wearing western clothing on his visits to other units.

(Wang Shuangxi) recently went to Heyang County to personally investigate the situation regarding the plant and its manager. In a speech to a gathering of leading cadres of all townships, towns, departments, and units in the country, he expressed high praise for the achievements of (Jia Zhige) in persevering in reform. He also refuted the various slanders against (Jia).

(Wang Shuangxi) said: There is a strange phenomenon at present: No one seems to be criticizing those who do no work all day long, while those who work hard feel that they are not given a moment's peace. We have must have the proper concept of right and wrong on this issue. [passage omitted]

(Wang Shuangxi's) clear support for (Jia Zhige) in carrying out reform has been praised by the cadres and masses in the county. Many enterprise leaders said: Now we can lay down our burdens and get on with reform. [passage omitted]

(Li Huanzhang), special commissioner of the Yulin Prefectural Commissioner's office, recently announced at a meeting of county governors that the plant manager or director is the number one man in the enterprise, with powers to appoint and dismiss cadres, to make operational policy decisions, to exercise administrative command, and to reward or fine the workers. The enterprise party committee must no longer intervene in the appointment and dismissal of middle-grade cadres, in production activities, and in operational policymaking. Ninety-five of the 114 state-owned enterprises in Yulin Prefecture have already instituted the plant manager responsibility system. Since last year the prefecture has examined and reshuffled 249 leading cadres of enterprises. If both the manager and the party secretary in an enterprise are highly able persons, the party secretary is transferred to be manager of another enterprise. If the manager or director is weak and the party secretary is able, the latter is made manager or director. [passage omitted] Sixteen enterprises have abolished the system of having a full-time party secretary, and the manager holds both posts. Five enterprises only have a manager and no secretary. The prefecture has decided to continue to reshuffle the leading cadres of the enterprises so as to ensure the all-round implementation of the plant manager responsibility system.

END OF

FICHE

DATE FILMED

22 AUGUST 1986

